



知行汽車科技(蘇州)股份有限公司
iMotion Automotive Technology (Suzhou) Co., Ltd.

(A joint stock company incorporated in the People's Republic of China with limited liability)

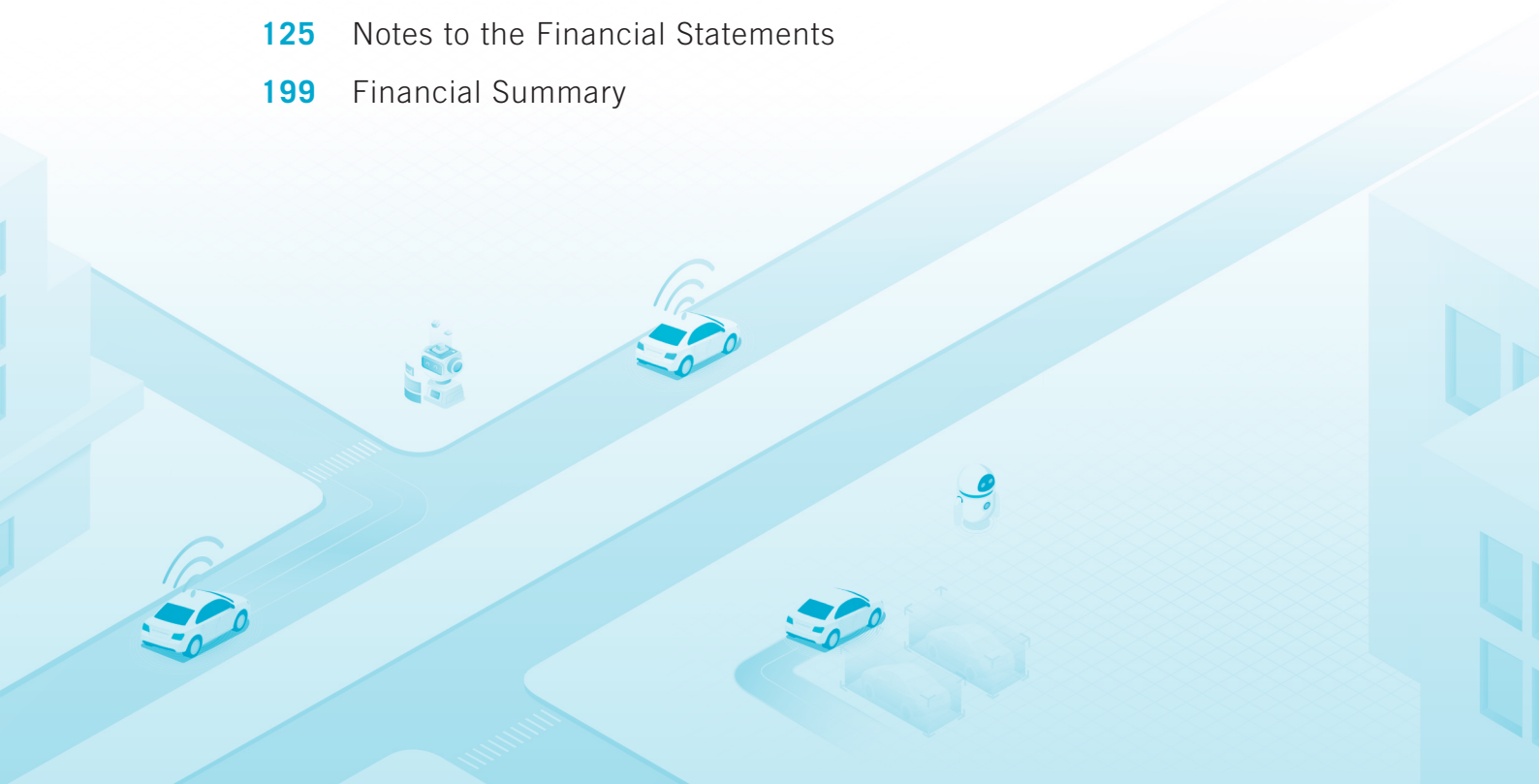
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2025
ANNUAL REPORT

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Corporate Information

CHINESE NAME OF THE COMPANY

知行汽車科技(蘇州)股份有限公司

ENGLISH NAME OF THE COMPANY

iMotion Automotive Technology (Suzhou) Co., Ltd.

BOARD OF DIRECTORS

Executive Directors

Mr. Song Yang (*Chairman of the Board*)
Mr. Lu Yukun
Ms. Jiang Jingfang
Ms. Liu Fang

Independent Non-executive Directors

Dr. Zhang Weigong
Ms. Xue, Rui Shirley

AUDIT COMMITTEE

Dr. Zhang Weigong
Ms. Xue, Rui Shirley

REMUNERATION AND APPRAISAL COMMITTEE

Ms. Xue, Rui Shirley (*Chairlady*)
Mr. Lu Yukun

NOMINATION COMMITTEE

Dr. Zhang Weigong (*Chairman*)
Mr. Song Yang
Ms. Xue, Rui Shirley

STRATEGY COMMITTEE

Mr. Song Yang (*Chairman*)
Mr. Lu Yukun
Dr. Zhang Weigong

BOARD OF SUPERVISORS

Mr. Zhu Qinghua
Mr. Wang Bingjie
Ms. GAO Liyun

AUTHORISED REPRESENTATIVES

Mr. Song Yang
Mr. Chung Ming Fai

JOINT COMPANY SECRETARIES

Ms. Liu Fang
Mr. Chung Ming Fai

HEADQUARTERS, REGISTERED OFFICE AND PRINCIPAL PLACE OF BUSINESS IN PRC

No. 28 Yingqian Road
Suzhou Industrial Park
Suzhou, Jiangsu Province
PRC



Corporate Information

PRINCIPAL PLACE OF BUSINESS IN HONG KONG

40/F
Dah Sing Financial Centre
248 Queen's Road East
Wanchai, Hong Kong

H SHARE REGISTRAR

Computershare Hong Kong Investor Services Limited
Shops 1712-1716
17/F, Hopewell Centre
183 Queen's Road East
Wanchai, Hong Kong

LEGAL ADVISERS

PRC Law

Jiangsu He & partners Law Firm
12th and 15th Floor
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Wujiang District
Suzhou, Jiangsu Province
PRC

Hong Kong Law

Jingtian & Gongcheng LLP
Suites 3203-3209, 32nd Floor
Edinburgh Tower
The Landmark
15 Queens Road Central
Central, Hong Kong

AUDITORS

KPMG
Certified Public Accounts and Registered Public Interest Entity Auditor
8th Floor, Prince's Building
10 Chater Road
Central, Hong Kong

PRINCIPAL BANKERS

China Construction Bank Co., Ltd.
Jiangsu Pilot Free Trade Zone Suzhou Branch
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STOCK CODE

01274



Definitions

“AD”	autonomous driving;
“ADAS”	advance driver assistance system(s);
“AFRC”	the Accounting and Financial Reporting Council of Hong Kong;
“Articles of Association”	the articles of association of the Company, as amended from time to time;
“Audit Committee”	the audit committee of the Company;
“BEV”	battery electric vehicles;
“Board” or “Board of Directors”	the board of directors of the Company;
“CG Code”	Corporate Governance Code as Appendix C1 to the Listing Rules;
“China” or “PRC”	the People’s Republic of China, excluding, for the purpose of this annual report, Hong Kong, Macau and Taiwan;
“Company”	iMotion Automotive Technology (Suzhou) Co., Ltd., a joint stock company incorporated in the PRC with limited liability;
“controlling shareholder(s)”	has the meaning ascribed thereto in the Listing Rules, and unless the context otherwise requires;
“Director(s)”	director(s) of the Company;
“Domestic Share(s)”	ordinary shares in the share capital of our Company, with a nominal value of RMB1.00 each, which are subscribed for and paid up in Renminbi and are not listed on the Stock Exchange;
“EUR”	Euros, the lawful currency of the European Union Member States;
“Geely Group”	Geely Automobile Holdings Limited (吉利汽車控股有限公司) and Zhejiang Geely Holding Group Company Limited (浙江吉利控股集團有限公司), being the ultimate holding company of Geely Automobile Holdings Limited, together with their subsidiaries and joint ventures under their control;
“Global Offering”	the Hong Kong Public Offering and the International Offering;
“Group”, “we” or “us”	the Company and its subsidiaries;
“H Share(s)”	overseas listed foreign shares in the share capital of our Company with nominal value of RMB1.00 each, which have been listed and traded on the Stock Exchange with effective from December 20, 2023;
“Hong Kong” or “HK”	the Hong Kong Special Administrative Region of the PRC;
“Hong Kong dollars”, “HK dollars” or “HK\$”	Hong Kong dollars, the lawful currency of Hong Kong



Definitions

“Hong Kong Offer Shares”	the H Shares offered by us for subscription pursuant to the Hong Kong Public Offering;
“Hong Kong Public Offering”	the offer of the Hong Kong Offer Shares for subscription by the public in Hong Kong at the Offer Price (plus brokerage of 1%, SFC transaction levy of 0.0027%, Stock Exchange trading fee of 0.00565% and AFRC transaction levy of 0.00015%) on the terms and conditions as described in the Prospectus, as further described in the section headed “Structure of the Global Offering” in the Prospectus;
“International Offer Shares”	the 19,904,400 H Shares initially offered by the Company for subscription at the Offer Price pursuant to the International Offering
“International Offering”	the offer of the International Offer Shares by the international underwriters at the Offer Price outside the United States outside the United States in offshore transactions in accordance with Regulation S and in the United States to qualified institutional buyers only in reliance on Rule 144A or any other available exemption from registration under the U.S. Securities Act, as further described in “Structure of the Global Offering” in the Prospectus
“Listing”	listing of the shares on the main board of the Stock Exchange;
“Listing Date”	December 20, 2023, the date on which our shares are listed and from which dealings therein are permitted to take place on the Stock Exchange;
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, as amended from time to time;
“Mobileye”	Mobileye Vision Technologies Ltd., which was incorporated in Israel in 1999 and Mobileye Global Inc., the publicly traded company, which is listed on the NASDAQ (ticker symbol: MBLY). Mobileye is primarily engaged in the development and deployment of ADAS and autonomous driving technologies and solutions
“Model Code”	the Model Code for Securities Transactions by Directors of Listed Issuers as Appendix C3 to the Listing Rules;
“Nomination Committee”	the nomination committee of the Company;
“Offer Price”	HK\$29.65 per Offer Share in Hong Kong dollars (exclusive of brokerage fee of 1%, SFC transaction levy of 0.0027%, Stock Exchange trading fee of 0.00565% and AFRC transaction levy of 0.00015%);
“Offer Share(s)”	the Hong Kong Offer Shares and the International Offer Shares;



Definitions

“PCBA”	printed circuit boards assembly;
“Prospectus”	the prospectus of the Company dated December 12, 2023 issued in connection with the Global Offering and the Listing;
“R&D”	research and development;
“Remuneration and Appraisal Committee”	the remuneration and appraisal committee of the Company;
“Reporting Period”	the period from January 1, 2025 to 31 December 2025;
“RMB”	Renminbi, the lawful currency of the PRC;
“SFC”	the Securities and Futures Commission of Hong Kong
“SFO”	Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), as amended, supplemented or otherwise modified from time to time;
“Shareholder(s)”	shareholder(s) of the Company;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“Strategy Committee”	the strategy committee of the Company;
“Supervisor(s)”	supervisor(s) of the Company;
“treasury share(s)”	has the meaning ascribed to it under the Listing Rules;
“United States” or “U.S.”	the United States of America, its territories, its possessions and all areas subject to its jurisdiction;
“USD”	United States dollars, the lawful currency of the United States;
“%”	per cent.



Financial Highlights

During the year ended 31 December 2025, the Group has recorded:

- Revenue of RMB1,000.57 million, which was decreased by 19.81% compared to same period in 2024.
- Gross profit of RMB15.24 million, which was decreased by 83.22% compared to the same period in 2024.
- Gross profit margin was 1.52% (2024: 7.28%).
- Loss before tax for the Reporting Period increased by 44.47% to RMB416.56 million (2024: RMB288.34 million).
- Loss attributable to equity shareholders of the Company for the Reporting Period was increased by 44.17% to RMB415.67 million (2024: RMB288.32 million).
- Basic and diluted loss per share attributable to equity shareholders of the Company amounted to RMB1.70 for the Reporting Period (2024: RMB1.27).
- The Board does not recommend the payment of a final dividend for the year ended 31 December 2025 (2024: Nil).



Chairman's Statement

Dear Shareholders,

On behalf of the Board of Directors, I hereby present the audited annual results report of the Group for the year ended 31 December 2025.

Looking back on 2025, China continued to lead the global automotive market. In 2025, China's automobile production and sales reached 34.531 million units and 34.440 million units respectively, representing year-on-year increases of 10.4% and 9.4%. This marks the 17th consecutive year that China has ranked first globally in both automobile production and sales, maintaining a scale above 30 million units for three consecutive years. In particular, the new energy vehicle market sustained its rapid growth, with production and sales reaching 16.626 million units and 16.490 million units, representing year-on-year increases of 29.0% and 28.2% respectively. The market penetration rate for new energy vehicles reached 47.9%, representing an increase of 7 percentage points from 2024. In terms of vehicle type, the annual production and sales volume of China's passenger vehicle market reached 30.27 million units and 30.103 million units respectively, with both of them exceeding the 30-million mark for the first time, representing year-on-year growth of 10.2% and 9.2%. This robust performance provides vast opportunities for the intelligent driving industry.

In 2025, the Company adhered to its dual-pillar strategy of "Intelligent Driving + Embodied Intelligence". Maintaining its leading edge in R&D innovation and mass production delivery capabilities, the Company rapidly expanded its business landscape from passenger vehicle driver assistance to diverse scenarios including robotics, unmanned logistics vehicles, and heavy-duty commercial vehicles.

In the field of intelligent driving, our company maintains highly efficient product R&D and mass production capabilities, and has achieved key breakthroughs in multiple business areas. By the end of 2025, our intelligent driving product series had been delivered for mass production in over 46 vehicle models, with cumulative shipments exceeding 830,000 units. Our full-stack, self-developed developed iFC intelligent integrated front-view cameras and iDC driving and parking integrated domain controllers have been successfully deployed in mass production across multiple platforms and scenarios. In 2025, our solutions based on Horizon's Journey 3 series chips continued mass production, while intelligent driving solutions based on the Horizon Journey 6 series achieved significant progress, and intelligent driving solutions based on Renesas' V4H series were successfully brought to mass production. For instance, we secured a mass production order for the iDC310 driving and parking integrated domain controller based on the Journey 6B. This also represents one of the first batch of designated projects for the Journey 6B platform. Unmanned logistics vehicle domain controllers and domain controller for intelligent heavy-duty truck based on dual Journey® 6M chips and the Journey® 6M also successfully obtained letters of nominations, marking the successful expansion of our products and solutions into the non-passenger vehicle sector. Meanwhile, our customer base continues to expand, covering key new clients such as a domestic brand in South China and a Sino-Korean OEM.

In terms of technology R&D, we have always placed a high priority on our R&D team. Our high-performance parking solution, built on the low computing power platform and featuring BEV perception algorithm, has seen continuous performance improvements and gradually entered a steady state. Due to its outstanding performance and cost-effectiveness, it has been rapidly deployed across multiple projects. Meanwhile, we continue to increase investment in cutting-edge technologies. We have developed a leading two-stage end-to-end solution that achieves deep integration of multi-dimensional perception. The integrated decision-making, prediction, and planning network makes driving behavior more human-like and capable of handling complex urban scenarios, resulting in a leap forward in driving capabilities. Furthermore, we have begun deploying the VLA large model to develop autonomous driving algorithms that are safer, more versatile, and better aligned with human expectations. Notably, we have made substantial progress in extending our multimodal large models from vehicle-side applications to other application scenarios. We continue to advance related capability development, having completed the quantization adaptation and edge deployment of the Visual-Language Navigation/Action Model (VLN/VLA), which has been integrated into our self-developed AI BOX platform. In September 2025, we officially launched the iRC100P, an embodied intelligence AI Box featuring an "integrated brain-cerebellum" architecture based on the D-Robotics S100P platform. During the reporting period, the relevant solution has been adapted and tested on various mainstream robot platforms, enabling robots to perform perception, navigation, and certain task execution in response to natural language commands, thereby preliminarily established productisation capabilities with software-hardware integration.



Chairman's Statement

In terms of manufacturing and production capacity, our new headquarters building in the Suzhou Industrial Park was completed and officially commenced operations in September 2025. Guided by the philosophy of “Manufacturing as a Service”, we have established a 5G smart manufacturing base with an annual production capacity of 3.5 million units, achieving full automation and digital intelligence across the entire SMT, assembly, and testing processes. Taking the completion of our global headquarters as an opportunity, we will build a technology innovation hub that integrates R&D and production to drive cost reduction, efficiency improvements, and business growth.

In terms of overseas expansion, China's automobile exports reached a new record high of 7.098 million units in 2025, marking a year-on-year increase of 21.1% and continuing to demonstrate strong global competitiveness. Building on our existing German subsidiary, we established an R&D service center in Munich, Germany, and built a comprehensive overseas scenario database, further enhancing our localized capabilities in algorithm development, systems engineering, and testing and validation. Concurrently, we entered into collaboration with Delloyd to establish a joint venture in Malaysia, building a multinational production system featuring “Made in China, Supplied Globally”.

In the field of embodied intelligence, we officially initiated our second growth curve in 2025 by establishing the wholly-owned subsidiary named iMotion Robotics and launching iRC100P, the world's first AI Box for embodied intelligence powered by domestic chip. Leveraging the iRC100P and robotic joint technology, we successfully developed the iMotion autonomous charging robot to establish a closed-loop “drive-park-charge” smart mobility ecosystem. To date, we have rapidly built a full-stack capability system encompassing “algorithms + AI platform + Actuation Components”, facilitating the synergistic development of intelligent driving and embodied intelligence technologies. To accelerate commercialization, we have entered into a comprehensive strategic partnership with Fourier Intelligence, a leading robotics company. Both parties will engage in in-depth collaborative development focusing on key components such as robot controllers and scenario-based robots, jointly advancing the commercial deployment and large-scale application of embodied intelligence across various scenarios.

Looking forward to 2026, we will continue to strengthen our core capabilities in advanced driver assistance systems, accelerate the commercialization of embodied intelligence, and sustain investment in cutting-edge technologies such as large models, end-to-end solutions and integrated cockpit driving. We remain committed to providing customers with high-performance, high-safety, and cost-effective full-stack solutions. At the same time, we will enhance our global R&D, manufacturing, and service network to empower automakers worldwide in accelerating their intelligent transformation and to foster the development of the embodied intelligence industry, thereby creating long-term value for our clients.

Finally, on behalf of the Company, I would like to express again my heartfelt gratitude to our Shareholders, investors and business partners for their continuous trust and support, and on behalf of the Board of Directors, I would like to thank all our employees for their dedicated work.

Mr. Song Yang

Chairman of the Board

March 27, 2026



Management Discussion and Analysis

I. MARKET REVIEW

In 2025, China's Automotive Market witnessed a steady growth

In 2025, China's automotive production and sales reached 34.53 million units and 34.40 million units, representing year-on-year growth of 10.4% and 9.4% respectively. Among them, production and sales of passenger vehicle reached 30.27 million units and 30.10 million units, representing year-on-year growth of 10.2% and 9.2% respectively. It is noteworthy that Chinese-branded passenger vehicles maintained strong momentum with sales of 20.94 million units recorded, accounting for 69.5% of total passenger vehicle sales and representing a 4.3 percentage point increase as compared with the previous year in terms of market share.

Production and sales of new energy vehicles continued to sustain rapid growth, with the market share steadily increasing. In 2025, China's production and sales of new energy vehicle totaled 16.63 million units and 16.49 million units, representing year-on-year growth of 29.0% and 28.2% respectively and capturing a market share of 47.9%. Simultaneously, China's automobile exports maintained steady growth and reached 7.10 million units, representing year-on-year growth of 21.1%.

In 2025, the Chinese government introduced a series of policies to promote the high-quality development of the intelligent driving industry

In 2025, coordinated efforts at both the national and local levels in China focused on refining policies and regulations, strengthening the standards system, and promoting pilot programs, thereby providing an institutional foundation for the high-quality advancement of the intelligent driving industry.



Management Discussion and Analysis

At the national level, policies focused on safety standards and industry guidance, establishing a comprehensive framework for both regulation and support. On 25 February 2025, Ministry of Industry and Information Technology (工業和信息化部) and the State Administration for Market Regulation (國家市場監督管理總局) jointly issued the “Notice on Further Strengthening the Management of Product Admission, Recalls, and Over-the-Air (“OTA”) Software Updates for Intelligent Connected Vehicles” (《關於進一步加強智慧網聯汽車產品准入、召回及軟體線上升級管理的通知》), explicitly placing advanced driver assistance and OTA functions into the mandatory regulatory framework. On 4 June 2025, the National Standards Information Public Service Platform published a notice soliciting opinions on the proposed mandatory national standard project “Safety Requirements of Combined Driver Assistance System for Intelligent Connected Vehicle” (《智慧網聯汽車組合駕駛輔助系統安全要求》). On 17 September 2025, the Ministry of Industry and Information Technology solicited public opinions on the mandatory national standard “Safety Requirements of Combined Driver Assistance System for Intelligent Connected Vehicle” (《智慧網聯汽車組合駕駛輔助系統安全要求》), with the public comment period ending on 15 November 2025. On 31 December 2025, the Ministry of Industry and Information Technology officially released the “Technical Requirements and Test Methods for Autonomous Emergency Braking Systems for Light Vehicles”. This national standard has transitioned the autonomous emergency braking system from recommended to mandatory and expanded the applicable vehicle scope, marking the beginning of a new era where active safety features become standard equipment in Chinese automobiles.

At the local level, supportive regulations came into effect in multiple regions, including Beijing, Guangzhou, Wuhan, Anhui Province, and Hangzhou. For instance, the “Beijing Autonomous Driving Vehicle Regulations” (《北京市自動駕駛汽車條例》) officially came into force on 1 April 2025, becoming China’s first regional regulation explicitly authorizing the Level 3 autonomous driving private vehicles for legal public roads use. In December 2025, the Ministry of Industry and Information Technology announced China’s first batch of admission approvals for Level 3 conditional autonomous vehicles, granting approval to two vehicle models to commence road trials in designated areas of Chongqing and Beijing.



Management Discussion and Analysis

The penetration rate of advanced driver assistance systems continued to increase

In 2025, leading domestic Original Equipment Manufacturers (“**OEMs**”) such as BYD, Changan Automobile, Geely Auto, Chery Automobile, and GAC Group held press conferences in rapid succession to promote the universal access to autonomous driving technology. Benefiting from the efforts by these leading OEMs and the general decline in costs, advanced driver assistance systems rapidly spread to vehicle models priced below RMB200,000. The overall penetration rate of the integrated driver assistance system reached approximately 66.12%, up by about 10 percentage points from 2024.

Autonomous driving algorithms continues to upgrade and iterate

In 2025, autonomous driving algorithm models exhibited a trend of rapid iteration, evolving from “perception-decision” end-to-end large models towards “understanding-reasoning” capabilities. Vision-Language Models (“**VLM**”), by unifying perception and natural language reasoning in a shared embedding space, demonstrated stronger generalization capabilities when facing new objects, weather conditions, and driving rules. Furthermore, Vision-Language-Action (“**VLA**”) large models integrate sensor data streams, high-level natural language instructions, and low-level execution commands into a single strategy, endowing vehicles with enhanced scene understanding and reasoning capabilities.

II. BUSINESS REVIEW

The Group is an intelligent driving solution provider in China. Relying on a number of advanced system R&D capabilities such as computing platforms, efficient middleware and artificial intelligence algorithms, the Group provides advanced intelligent driving solutions to customers through efficient integration of software and hardware. We have commercialized level 2 to level 2+ advanced driver assistance systems (of which level 2+ is not an official classification under SAE(1) standard) and are developing level 3 to level 4 autonomous driving solutions for automotive manufacturers. Our principal activities include (1) provision of advanced driver assistance solutions and products; (2) provision of autonomous driving-related R&D services; and (3) sales of printed circuit boards (“**PCB**”) assembly (“**PCBA**”) products.

During the Reporting Period, we delivered more than 388,000 advanced driver assistance solutions and products to our customers, representing an increase of 70.9% as compared to last year, as more and more customer vehicle models equipped with our advanced driver assistance solutions and products entered serial production and delivery stage. From 2020 to 2025, we delivered more than 834,000 advanced driver assistance solutions and products to our customers.



Management Discussion and Analysis

Advanced driver assistance solutions and products

During the Reporting Period, we generated most of our revenue from the sales of our advanced driver assistance solutions and products to OEMs, which included advanced driver assistance domain controllers and intelligent front camera products. We develop advanced driver assistance solutions and products for OEMs by leveraging core vertically integrated competencies in product design and development, algorithm and function development, system integration and manufacturing, etc. Our solutions and products for advanced driver assistance can be installed on both new energy vehicles (NEVs) and internal combustion engine (ICE) vehicles, and are capable of realizing a wide variety of advanced driver assistance functions.

During the Reporting Period, we generated revenue of approximately RMB926.16 million (2024: RMB1,192.58 million) from the provision of advanced driver assistance solutions and products, representing a decrease of 22.34% as compared to that in 2024, accounting for approximately 92.56% of our total revenue in 2025. Among which, revenue from the sales of advanced driver assistance domain controllers amounted to approximately RMB782.56 million (2024: RMB1,134.61 million), representing a decrease of 31.03% as compared to that in 2024. The decrease was mainly attributable to a significant decrease in the order for Supervision™ from customers. However, the revenue from the self-developed iDC series advanced driving assistance domain controller amounted to approximately RMB195.67 million (2024: RMB93.77 million), representing an increase of 108.67% compared to that in 2024 and indicating self-developed iDC series advanced driver assistance domain controller has a rapid growth trend; revenue from the sales of intelligent front cameras amounted to approximately RMB143.60 million (2024: RMB57.97 million), representing an increase of 147.73% as compared to that in 2024, the increase of which was mainly attributable to multiple new vehicle models of customers entering the serial production and delivery phase.

Autonomous driving-related R&D services

We continued to provide autonomous driving-related R&D services to OEMs. Our autonomous driving-related R&D services are primarily focused on three aspects: (1) the development of software and hardware for advanced driver assistance; (2) the development of algorithms and functions for advanced driver assistance; and (3) functional safety consulting and validation. Our autonomous driving-related R&D services are primarily focused on two areas: (1) proof-of-concept projects: in these projects, OEMs engage us to conduct concept validation for new technology; leveraging our comprehensive R&D capabilities and utilizing advanced technology, we develop and provide prototypes to OEMs within a short time to conduct concept validation; and (2) R&D services in relation to the supply of our advanced driver assistance solutions: after receiving the letter of nomination, we start providing R&D services to customers, which primarily include R&D of hardware, software, algorithms and advanced driver assistance functions, as well as implementation, integration, verification and testing services.



Management Discussion and Analysis

During the Reporting Period, we recorded revenue from the autonomous driving-related R&D services of approximately RMB62.36 million (2024: RMB41.66 million), representing approximately 6.23% of our total revenue in the Reporting Period. The increase in revenue from autonomous driving-related R&D services for the Reporting Period as compared to that in 2024 was primarily due to that we obtained new R&D projects and completed the corresponding development tasks and obtained the customer's acceptance.

Sales of PCBA products

During the Reporting Period, we continue to be engaged in the manufacturing and sales of PCBA products to third parties. We mount different electronic components on the PCB, such as SoCs, resistors, capacitors, and transmitters to prepare a fully usable PCBA based on our customers' specifications.

During the Reporting Period, we recorded revenue from the sale of PCBA products of approximately RMB11.88 million (2024: RMB13.48 million), accounting for approximately 1.19% of our total revenue in the Reporting Period.

Project acquisition

During the Reporting Period, we obtained a total of 37 letters of nomination from well-known OEM customers including, among others, Chery, Leapmotor, Geely Auto and Dongfeng Motor. These projects encompass domain controllers for unmanned logistics vehicles and intelligent heavy-duty trucks, marking the successful expansion of our intelligent driving products into new business areas such as unmanned logistics vehicles and heavy commercial vehicles for the first time. Concurrently, we entered the supply chain of a leading OEM in South China and a Sino-Korean OEM, achieving a breakthrough in customer coverage. The majority of these nominated vehicle models are scheduled to be put into production between 2025 and 2027, which will help us consolidate our commercial advantages and capture a larger market share.



Management Discussion and Analysis

R&D progress

During the Reporting Period, our products and algorithms underwent rapid iteration. In terms of product, our fully self-developed advanced driver assistance domain controllers – iDC500 entered serial production phase. This is the world’s first mass-produced advanced driver assistance solution that successfully deploys BEV Transformer + OCC perception algorithm on the Renesas V4H computing platform. In January 2025, we officially signed a strategic cooperation agreement with Horizon Robotics (stock code: 09660) to accelerate serial production collaboration based on the latest-generation Journey 6 series. The iDC310 domain controller, based on the Horizon Journey® 6B computing platform, has obtain letters of nomination from a leading automotive OEM and is scheduled to commence mass production in 2026. This will mark the world’s first mass production based on the Horizon Journey® 6B computing platform. The iDC510 Pro domain controller, based on the Horizon Journey® 6M computing platform, has also received letters of nomination from multiple customers and is scheduled for mass production in 2026. Concurrently, the iDC700 domain controller, based on dual Horizon Journey® 6M computing platforms, has also received a letter of nomination, representing the industry’s first project for unmanned logistics vehicles based on a dual Horizon Journey® 6M computing platform.

Regarding intelligent driving algorithms, building upon the maturing two-stage technical approach, our end-to-end autonomous driving solution is undergoing significant advancement towards an integrated one-stage architecture that unifies the entire chain of perception, decision-making, and planning. Our BEV algorithm for parking has been continuously refined, achieving mass production deployment across dozens of vehicle models. It has demonstrated excellent performance on mid-to-low computing power platforms, validating the capability for large-scale adaptation of high-performance algorithms across different platforms and vehicle models. Regarding our data infrastructure, leveraging our established highly automated data acquisition and annotation platform, we have further introduced VLA and World Models for high-quality data generation. This has effectively expanded the scale and diversity of our training data, thereby accelerating the algorithmic iteration loop. Simultaneously, we are actively advancing the integrated deployment of VLA large models with one-stage models on mid-computing-power platforms. We are exploring a new autonomous driving paradigm driven by multi-modal large models, committed to developing an intelligent driving system that is safer, more versatile, and better aligned with human intent.



Management Discussion and Analysis

Progress in Embodied Intelligence

During the Reporting Period, we actively expanded into the field of embodied intelligence. In March 2025, we established a wholly-owned subsidiary named iMotion Robotics (Suzhou) Co., Ltd. (“**iMotion Robotics**”). Based on the parent company’s technological and industrial foundation and leveraging the technical commonality between embodied intelligence and autonomous driving systems in visual perception, multimodal interaction and other aspects, iMotion Robotics focus on the R&D and commercialization of embodied intelligence technology. In May 2025, we entered into a framework agreement for equity transfer with the shareholders of Suzhou Artiarm Robotics Co., Ltd. (“**Artiarm Robotics**”) (subsequently renamed as One Square Meter Power (Suzhou) Co., Ltd.), quickly tapping into key components market for embodied intelligence and taking a solid step forward in accelerating the expansion into specific application scenarios.

Leveraging our technical expertise and mass production experience in integrated driving assistance domain controllers, we have rapidly expanded into the embodied intelligence main controller business during the Reporting Period and launched iRC100P, an AI BOX designed for general-purpose robotics applications. Built on a domestic high-computing-power chip platform, this product adopts a “integrated brain-cerebellum” architecture and leverages our automotive-grade product design and engineering expertise to provide integrated edge-side hardware and software support for embodied intelligence applications.

Regarding embodied intelligence algorithms, we have built a cloud-edge integrated intelligent architecture based on the VLA large model framework. The cloud provides robust scene understanding and task planning capabilities, while the edge enables fast and smooth real-time inference, balancing intelligence levels with response efficiency. Leveraging the general comprehension capabilities of large models, the robots can flexibly adapt to diverse task scenarios, demonstrating enhanced generalization and adaptability. Concurrently, we have established a Sim-to-Real data generation system, which efficiently synthesizes large-scale training data in simulated environments and transfers it to real-world scenarios. This approach has significantly reduced data acquisition costs and accelerated the iteration and deployment of robotics algorithms.



Management Discussion and Analysis

Regarding the edge deployment of embodied intelligence large models, we continue to advance relevant capability development. We have completed the quantization adaptation and edge deployment of visual-language navigation (VLN) and VLA models, and integrated them into our self-developed AI BOX platform. During the Reporting Period, relevant solutions have been adapted and tested on various mainstream robot platforms, enabling robots to perform perception, navigation, and partial task execution under natural language commands, thereby establishing preliminary productization capabilities through hardware-software synergy.

Currently, we have gradually established a technology system encompassing edge AI computing platforms, large-model algorithms, model deployment capabilities, and core execution components. Moving forward, we will build upon our existing technological foundation to continuously advance the R&D and iteration of next-generation high-performance computing platforms and related products, enhance the operational efficiency of edge models and overall system performance, and drive the practical application of embodied intelligence technology in more real-world scenarios.

Overseas Layout

During the Reporting Period, we actively promoted overseas expansion. On 13 May 2025, our wholly-owned subsidiary, iMotion Automotive Technology (Singapore) Pte. Ltd. entered into a joint venture agreement with Delloyd Technology Berhad, a benchmark enterprise in Malaysia's local automotive supply chain. In January 2026, we jointly invested in the establishment of joint ventures in Malaysia to gradually build a localized operational system and facilitate the rapid expansion of our business footprint into the Southeast Asian market. We already completed the setup of our first production line in Malaysia and commenced trial production, which is expected to officially commence in the first half of 2026.



Management Discussion and Analysis

III. FINANCIAL REVIEW

Revenue

Revenue for the year ended 31 December 2025 was RMB1,000.57 million, representing a decrease of RMB247.15 million or 19.81% as compared to that for the corresponding period in 2024. Among which, revenue from sales of advanced driver assistance solutions and products was RMB926.16 million, representing a decrease of RMB266.42 million or 22.34% as compared to that for the corresponding period in 2024; revenue from rendering of autonomous driving-related R&D services was RMB62.36 million, representing an increase of RMB20.70 million or 49.69% as compared to that for the corresponding period in 2024; and revenue from sales of PCBA products was RMB11.88 million, representing a decrease of RMB1.61 million or 11.92% as compared to that for the corresponding period in 2024; revenue from other item was RMB0.17 million in 2025.

A substantial portion of the revenue of the Group was generated from sales of advanced driver assistance solutions and products, accounting for 92.56% of its revenue for the year ended 31 December 2025 (2024: 95.58%). In addition, revenue generated from rendering of autonomous driving-related R&D services accounted for 6.23% of its revenue for the year ended 31 December 2025 (2024: 3.34%); revenue from sales of PCBA products accounted for 1.19% of its revenue for the year ended 31 December 2025 (2024: 1.08%); and revenue from other item accounted for 0.02% of its revenue for the year ended 31 December 2025. Revenue of the Group was mainly derived from our operations in the PRC.



Management Discussion and Analysis

	For the year ended 31 December			
	2025	2024	2025	2024
	Amount (RMB' million)	Percentage of total revenue	Amount (RMB' million)	Percentage of total revenue
Advanced driver assistance solutions and products				
– Advanced driver assistance domain controller solutions	782.56	78.21%	1,134.61	90.93%
– Intelligent front cameras	143.60	14.35%	57.97	4.65%
Subtotal	926.16	92.56%	1,192.58	95.58%
Autonomous driving-related R&D services	62.36	6.23%	41.66	3.34%
Sales of PCBA products	11.88	1.19%	13.48	1.08%
Other item	0.17	0.02%	–	–
Total	1,000.57	100.00%	1,247.72	100.00%

Cost of Sales and Services

Cost of sales and services for the year ended 31 December 2025 was RMB985.33 million, representing a decrease of RMB171.56 million or 14.83% as compared to that for the corresponding period in 2024. Among which, cost of sales of advanced driver assistance solutions and products for the year ended 31 December 2025 was RMB907.39 million representing a decrease of RMB206.36 million or 18.53% as compared to that for the corresponding period in 2024; cost of rendering of autonomous driving-related R&D services was RMB68.29 million, representing an increase of RMB36.51 million or 114.92% as compared to that for the corresponding period in 2024; and cost of sales of PCBA products was RMB9.55 million, representing a decrease of RMB1.82 million or 16.02% as compared to that for the corresponding period in 2024; and cost from other item was RMB0.10 million in 2025.



Management Discussion and Analysis

Gross Profit

Gross profit for the year ended 31 December 2025 was RMB15.24 million, representing a decrease of RMB75.59 million or 83.22% as compared to that for the corresponding period in 2024. Of which, gross profit of sales of advanced driver assistance solutions and products for the year ended 31 December 2025 was RMB18.77 million, representing a decrease of RMB60.06 million or 76.19% as compared to that for the corresponding period in 2024; gross profit of rendering of autonomous driving-related R&D services was RMB-5.93 million, representing a decrease of RMB15.81 million or 159.86% as compared to that for the corresponding period in 2024; and gross profit of sales of PCBA products was RMB2.33 million, representing an increase of RMB0.21 million or 10.12% as compared to that for the corresponding period in 2024; and gross profit of other item was RMB0.07 million in 2025.

Gross profit margin for the year ended 31 December 2025 was 1.52% (2024: 7.28%). Due to the adjustment in the Company's market pricing strategy and in the product structure, the revenue of the Company's advanced driver assistance controller product, Supervision™, was decreased, while its corresponding sales cost was increased, resulting in a decrease in the Company's gross profit for 2025 as compared to that for 2024.

Other Income

Other income primarily consists of government subsidies for the Group's research and development expenditures as well as construction for advanced manufacturing industry base. For the year ended 31 December 2025 amounted to RMB6.09 million, representing an increase of 3.01% as compared with RMB5.91 million for the year ended 31 December 2024. The increase was mainly due to the increase in government subsidies.

Other Losses – Net

Net other losses primarily consist of (i) net fair value gains/losses on financial assets at fair value through profit or loss (“FVTPL”) in relation to gains/losses from our wealth management; (ii) net foreign exchange gains/losses; (iii) net fair value losses or gains on derivative financial instruments; (iv) net gains or losses on disposals of property, plant and equipment and intangible assets; and (v) others. Net other losses for the year ended 31 December 2025 amounted to RMB9.60 million, representing an increase of RMB2.63 million as compared with net other losses RMB6.97 million for the year ended 31 December 2024. The increase was mainly due to increase in foreign exchange losses.



Management Discussion and Analysis

Selling Expenses

Selling expenses for the year ended 31 December 2025 amounted to RMB18.39 million, representing a decrease of 39.51% as compared with RMB30.39 million for the year ended 31 December 2024. The decrease was mainly attributable to the decrease in after-sales warranty. As a percentage of revenue, the selling expenses decreased over the corresponding period last year from 2.44% for the year ended 31 December 2024 to 1.84% for the year ended 31 December 2025, down by 0.6 percentage point.

Administrative Expenses

Administrative expenses for the year ended 31 December 2025 amounted to RMB80.32 million, representing an increase of 39.69% as compared with RMB57.50 million for the year ended 31 December 2024. The increase was mainly attributable to intelligent upgrades, professional consulting service fee and expansion of high-level talent to support business development and enhance management efficiency. As a percentage of revenue, the administrative expenses increased over the corresponding period last year from 4.61% for the year ended 31 December 2024 to 8.03% for the year ended 31 December 2025, up by 3.42 percentage point.

Research and Development Expenses

Research and development expenses for the year ended 31 December 2025 amounted to RMB322.78 million, representing an increase of 15.01% as compared with RMB280.65 million for the year ended 31 December 2024. The increase was mainly attributable to the further increase in research and development investment in self-developed new products and autonomous driving technology and the increase in talent investments as the Company actively attracted top-notch autonomous driving algorithm talents in the market. As a percentage of revenue, the research and development expense increased over the corresponding period last year from 22.49% for the year ended 31 December 2024 to 32.26% for the year ended 31 December 2025, up by 9.77 percentage point.

Finance Income

Finance income primarily consists of interest income on cash at bank. Finance income for the year ended 31 December 2025 amounted to RMB11.03 million, representing an increase of RMB5.92 million as compared with RMB5.11 million for the year ended 31 December 2024. The increase was mainly attributable to the completion of the 2025 February Placing and 2025 July Placing, which led to an increase in cash and thus an increase in interest income.

Finance Costs

Finance costs for the year ended 31 December 2025 amounted to RMB5.74 million, representing an increase of RMB0.49 million as compared with RMB5.25 million for the year ended 31 December 2024. The increase was mainly attributable to an increase in the interest thereon of bank borrowings.



Management Discussion and Analysis

Loss Before Tax

As a result of the foregoing, loss before tax for the year ended 31 December 2025 amounted to RMB416.56 million, representing an increase of 44.47% as compared with RMB288.34 million for the year ended 31 December 2024.

Loss for the Year

As a result of the foregoing, loss for the year ended 31 December 2025 amounted to RMB416.47 million, representing an increase of 44.44% as compared with RMB288.34 million for the year ended 31 December 2024.

Loss for the Year Attributable to the Equity Shareholders of the Company

For the year ended 31 December 2025, loss for the year attributable to equity shareholders of the Company amounted to RMB415.67 million, representing an increase of 44.17% as compared with RMB288.32 million for the year ended 31 December 2024.

IV. LIQUIDITY AND CAPITAL RESOURCES

Cash Flows

For the year ended 31 December 2025, the Group's net cash outflow generated from operating activities was RMB175.30 million, as compared with RMB404.98 million of its net cash outflow generated from operating activities for the year ended 31 December 2024. The net cash outflow from operating activities decreased by RMB229.68 million year on year. The decrease in net cash outflow of operating activities was mainly due to the combined effect of speeding up the customer payment collection and the decrease in the payment for procuring raw materials.

For the year ended 31 December 2025, the Group's net cash outflow of investing activities was RMB265.24 million, as compared with RMB264.82 million of its net cash outflow generated from investing activities for the year ended 31 December 2024.

For the year ended 31 December 2025, the Group's net cash inflow generated from financing activities was RMB523.87 million, as compared with RMB127.16 million of its net cash inflow of financing activities for the year ended 31 December 2024. The increase in net cash inflow of financing activities was mainly attributable to the completion of the 2025 February Placing and 2025 July Placing and the increase of bank borrowings.



Management Discussion and Analysis

Net Current Assets

As at 31 December 2025, the Group's net current assets amounted to RMB609.85 million, as compared to its net current assets of RMB673.13 million as at 31 December 2024.

Financial assets at fair value through profit or loss

As at 31 December 2025, the Group's financial assets at fair value through profit or loss amounted to RMB300.47 million, consisting of investments in wealth management products issued by banks and financial institutes, representing an increase of 34.19% as compared with RMB223.91 million as at 31 December 2024. The increase was mainly due to the increase of funds in 2025.

The acquisition and disposal of such wealth management products did not constitute any notifiable transaction of the Company under Chapter 14 of the Listing Rules.

Inventories

The Group's inventories consist of (i) raw materials; (ii) work in progress; and (iii) finished goods. As at 31 December 2025, the Group's inventories amounted to RMB291.54 million, representing a decrease of 2.48% as compared with RMB298.94 million for the year ended 31 December 2024. The decrease was mainly due to the combined effect of increase of finished goods and decrease of raw material.

In 2025, the Group's average inventory turnover days (which is equivalent to the average of opening and closing inventory balances divided by the cost of sales and services for that year and multiplied by 360 days) were 108 days, representing an increase as compared with 87 days in 2024, mainly attributable to the increase of goods shipped from new project at the year ended 31 December 2025.

Borrowings

As at 31 December 2025, the Group's borrowings were RMB478.29 million, representing an increase of 51.89% as compared with RMB314.90 million for the year ended 31 December 2024. All the Group's bank loans and other borrowings are denominated in Renminbi.



Management Discussion and Analysis

The following table sets forth the Group's bank loans and other borrowings as at the dates indicated:

	As at 31 December	
	2025	2024
	RMB'000	RMB'000
Borrowings included in non-current liabilities:		
<i>Secured</i>		
Bank borrowings (a)	<u>240,614</u>	170,173
<i>Unsecured</i>		
Bank borrowings (a)	<u>58,000</u>	–
	<u>298,614</u>	170,173
Borrowings included in current liabilities:		
<i>Secured</i>		
Bank borrowings (a)	<u>33,422</u>	–
<i>Unsecured</i>		
Bank borrowings (b)	82,000	114,500
Other loans (c)	64,000	30,000
Interest payables	<u>258</u>	225
	<u>179,680</u>	144,725
Total borrowings	<u>478,294</u>	<u>314,898</u>

Gearing Ratio

Gearing ratios, which is calculated as total borrowings divided by total equity of the Group, are 54.94% and 34.87% as at 31 December 2025 and 31 December 2024, respectively.



Management Discussion and Analysis

Pledge of Assets

The Group has pledged its land use rights with carrying amounts of approximately RMB29.39 million to bank as the security for the long-term bank borrowings of RMB274.04 million as at 31 December 2025.

Capital Expenditures and Investment

The Group's capital expenditures comprise primarily expenditures on land use rights, property, plant, equipment and intangible assets. For the year ended 31 December 2025, the Group's total capital expenditures were RMB222.61 million, representing an increase of 1.78% as compared with RMB218.72 million for the year ended 31 December 2024.

Treasury Policies and Exposure to Fluctuation in Exchange Rates

Foreign exchange risk arises when future commercial transactions or recognised assets and liabilities are denominated in a currency that is not the Group entities' functional currency. The Group's businesses are principally conducted in RMB. The majority of assets is denominated in RMB. The majority of non-RMB assets and liabilities are cash and cash equivalents, trade receivables and trade payables denominated in HKD, USD and EUR. The Group is subject to foreign exchange risk arising from future commercial transactions and recognised assets and liabilities which are denominated in non-RMB and net investment in foreign operations.

The Group manages its foreign exchange risk by closely monitoring the movement of the foreign currency rates. Cash repatriation from the PRC are subject to the rules and regulations of foreign exchange control promulgated by the PRC government. Additionally, the Group enters into forward exchange contracts to mitigate the foreign exchange risk. The Group did not have other significant exposure to foreign exchange risk.

Contingent Liabilities

As at 31 December 2025, the Group did not have any material contingent liabilities.



Management Discussion and Analysis

Staff Cost and Employee Remuneration Policy

As at 31 December 2025, the Group had 564 employees (as at 31 December 2024: 575 employees). Staff cost of the Group increased by 22.16% from RMB239.97 million for the year ended 31 December 2024 to RMB293.14 million for the year ended 31 December 2025, mainly attributable to increase in labor costs for high-level talent R&D personnel and administrative personnel.

We are committed to establishing a competitive and fair remuneration. In order to effectively motivate our employees, we continually refine our remuneration and incentive policies through market research. We conduct annual performance evaluation for our employees to provide feedback on their performance. Compensation for our staff typically consists of base salary and a performance-based bonus. Certain equity incentive schemes were also established for the benefit of our Directors, supervisors, senior management and core employees as remuneration for their services provided to us and to incentivize and reward the eligible persons who have contributed to the success of our Company. For details of the incentive schemes, please refer to the section headed “Equity Incentive Scheme” contained in the Company’s annual report to be published in due course.

V. SIGNIFICANT INVESTMENTS

As of 31 December 2025, the Group did not have any significant investments.

VI. MATERIAL ACQUISITIONS AND DISPOSALS

The Group had no material acquisitions or disposal of subsidiaries, associates and joint ventures during the Reporting Period.



Management Discussion and Analysis

VII. FUTURE STRATEGY AND PROSPECTS

The year 2026 is regarded as a pivotal year for the intelligent driving assistance industry in its transition from “large-scale adoption” to a focus on “quality and efficiency”. As consumer awareness and acceptance of intelligent driving functions continue to rise, demand for these capabilities is growing, and intelligent driving capabilities have become a key factor in vehicle purchasing decisions. The “democratization of intelligent driving” is accelerating, with advanced driver assistance functions such as highway Navigation on Autopilot (“**NOA**”) and urban NOA rapidly penetrating from high-end models down to the mainstream price range of RMB100,000 to 200,000. It is anticipated that the penetration rate of NOA functions will increase significantly in 2026. At the same time, both national policies and regulations as well as consumers are placing greater emphasis on the safety of intelligent driving, imposing higher technical requirements on the technology. Consequently, the reliability and cost-effectiveness of solutions have become particularly critical in supplier selection for passenger vehicles in the mainstream price segment. We have deployed high-safety and cost-effective solutions across different chip platforms, ranging from low-to-mid, mid, and mid-to-high computing power, to meet the diverse needs of various automakers and vehicle models.

China has established a leading position in automotive electrification and intelligence, laying a solid foundation for overseas market expansion. In 2025, China’s automobile exports reached a new high of 7.10 million units, representing a year-on-year increase of 21.20%. The growing brand recognition and influence of domestic OEM in overseas markets have driven increased demand for advanced driver-assistance systems in regions such as Europe and Southeast Asia, providing a valuable window of opportunity for Chinese intelligent driving suppliers to expand globally.

The year 2025 witnessed rapid iteration in embodied intelligence technology, with the integration of technologies represented by VLA large models as a core breakthrough, significantly enhancing robots’ perception, decision-making, and execution capabilities in complex environments. Technological advancements, policy support, and supply chain development have brought embodied intelligence closer to practical implementation. It is expected that embodied intelligence will follow a development pattern of “industrial deployment first, followed by penetration across all scenarios”. Core scenarios anticipated for initial implementation include industrial manufacturing, logistics and warehousing, and specialized inspection, effectively improving efficiency and reducing costs. Concurrently, consumer-grade embodied intelligence products are accelerating their market penetration. Leveraging prominent supply chain advantages, product prices continue to decline, with some consumer-grade humanoid robots already priced in the tens of thousands of yuan range, driving the popularization of these technologies in daily life scenarios such as home services, education, and entertainment.



Management Discussion and Analysis

Continue to pioneer the large-scale commercialization of intelligent driving solutions and products

We will continuously optimize and refine our existing product lines, and expand our in-house manufacturing capacity to reinforce our business expansion; and provide more cost-effective solutions and products to our customers through technological advancement and supply chain optimization. Our new smart factory has been officially put into operation. With the integration of the newly implemented systems, applications and products (SAP) and manufacturing execution system (MES) systems, we have significantly enhanced the digitalization level of the supply chain and manufacturing processes, significantly enhancing production efficiency and quality. In 2026, we will expand our production capacity to meet customers' growing demand for mass production deliveries.

Sustain R&D investment to solidify our leading position

The Company focuses on delivering large-scale commercial intelligent driving solutions to the market. At present, we have independently developed core algorithms, middleware and cloud platforms. Moving forward, we will continue to optimize our software, enhance technical barriers and cost-effectiveness of our solutions, and continuously improve the core competitiveness of our products. In terms of algorithms, we will strengthen the deployment of one-stage end-to-end and VLA large model to develop safer, more generalizable, and human-aligned autonomous driving algorithms. In terms of data, we will continuously refine the full-link data closed-loop system to enhance data mining capabilities and data value and shorten R&D cycles. We will persistently refine our self-developed software middleware to make it more automatic and programmatic, ensuring compatibility with diverse computing platforms while improving operational resource efficiency. In terms of computing platforms, we will strengthen collaboration with Horizon Robotics to accelerate the mass production of products and solutions based on the Journey 6 platform. Meanwhile, we will collaborate with our partners to build integrated cockpit-driving platform and vehicle central computing platform.

Continue to deepen, expand, and diversify our OEM customer base

We will strengthen our cooperation with existing customers and strive to expand our products and solutions to more vehicle models. Meanwhile, we will continue to grow our sales and marketing teams to achieve breakthroughs with key potential customers. In addition, we will collaborate with our strategic partners to broaden our OEM customer base.



Management Discussion and Analysis

Enhance our value chain integration capabilities

We will continue to collaborate with existing international first-class system-on chips (“SoC”) suppliers, and actively promote the R&D and commercialization of products and solutions of Horizon Journey system chips based on our strategic cooperation with Horizon Robotics. We aim to deepen our cooperation with sensor suppliers to develop modular solutions to shorten the development cycle and improve the adaptability of our solutions. In addition, we plan to strengthen our vertical integration capabilities by investing in or acquiring quality companies that can create synergies.

Build an international brand with a global presence

We will adhere to our overseas expansion strategy by serving Chinese OEMs’ overseas business on the one hand, and actively developing international customers on the other. Based on our established presence, our products and solutions have followed our customers to be deployed across regions and countries including Europe, the Middle East, Southeast Asia, South Korea, and Japan. This has enabled us to accumulate extensive on-the-ground experience in overseas applications and develop strong localized service capabilities. In 2026, we plan to further strengthen our global sales and service network, with active efforts to establish a local service network in Japan. Through our overseas business units and production bases, technical adaptation, ecosystem collaboration, and data compliance capabilities, we aim to accelerate our integration into the direct supply chains of international automakers. In addition, we will leverage the resources provided by our strategic overseas shareholders to explore new international business opportunities and establish more international strategic alliances.

Actively explore more diversified business models

Our current solutions focus primarily on intelligent driving of passenger vehicles. In addition, there are also broad application prospects for autonomous driving solutions in specialized scenarios such as public transportation, freight logistics, agricultural machinery, industry and warehousing, mines and ports, which can help improve transportation efficiency, reduce injuries and lower costs. We have engaged in in-depth discussions with multiple leading players in the unmanned logistics vehicle and intelligent heavy-duty truck sectors and have secured letters of nomination for both unmanned logistics vehicles and intelligent heavy-duty trucks. This marks the successful expansion of our products and solutions into the non-passenger vehicle sector.



Management Discussion and Analysis

Continuing to focus on the field of embodied intelligence

Building on the iRC100P product, we will launch the research and development of our next-generation high-computing-power AI BOX platform to further enhance on-device model inference efficiency and multi-modal perception fusion capabilities. The new product will support the deployment of VLA models with larger parameter scales to meet real-time decision-making requirements in complex scenarios, while expanding compatibility with a wider range of robotic platforms to build a more versatile edge intelligence foundation.

Based on the existing VLA architecture, we will focus on advancing in long-sequence task planning and precise operational control, thereby enhancing robots' autonomous decision-making capabilities in dynamic environments. Concurrently, we will optimize our Sim-to-Real data generation system by introducing more real-world scenario data feedback mechanisms. This will enhance the generalization performance and robustness of models under complex operating conditions, thereby shortening the time required to transition algorithms from the laboratory to real-world applications.

Leveraging our proven hardware-software synergy capabilities, we will actively expand the application of embodied intelligence technology across sectors such as smart manufacturing, intelligent logistics, and commercial services. By establishing strategic partnerships with upstream and downstream enterprises in the industry chain, we will promote the large-scale deployment of AI BOX platform and our accompanying algorithmic solutions in typical scenarios, gradually forming a replicable commercialization model to create a new growth trajectory for us.

We will continue to refine our embodied AI technology system, enhancing the level of self-determination and control over our system-level solutions. Concurrently, we will actively participate in the formulation of industry standards and the development of the open-source ecosystem. By fostering in-depth collaboration with robot manufacturers, application developers, and research institutions, we aim to jointly promote the healthy development of the embodied AI industry.



Biographies of Directors, Supervisors, Senior Management and Company Secretary

DIRECTORS

Executive Directors

Mr. SONG Yang (宋陽), aged 51, first joined our Group in March 2017 as a Director and was redesignated as an executive Director with effect from the Listing Date. Mr. SONG is primarily responsible for the overall strategic planning and business direction of our Group. Mr. SONG currently also serves as a director and general manager at each subsidiary of our Group.

Mr. SONG is a seasoned veteran in the automotive industry with almost 22 years of experience spanning senior leadership positions with both domestic and localized international market-leading automotive brands. Before joining in our Company, Mr. SONG had successively served as a leading global supplier of automotive parts, a senior engineer of passive safety engineering department at automotive electronics division, a section manager of passive safety engineering department at chassis systems control division, and the department manager of advanced driver assistance engineering department at chassis systems control division in Bosch Automotive Products (Suzhou) Co., Ltd. (博世汽車部件(蘇州)有限公司) (“**Bosch Automotive**”, a subsidiary of Robert Bosch GmbH) from July 2004 to July 2014, and the general manager at KSS Automotive Active Safety System (Suzhou) Co., Ltd. (百利得汽車主動安全系統(蘇州)有限公司) (“**KSS Automotive**”) from September 2014 to October 2016, which was a subsidiary of Ningbo Joyson Electronic Corp. (寧波均勝電子股份有限公司), a leading mobility safety company listed on the Shanghai Stock Exchange (stock code: 600699).

Mr. SONG obtained his bachelor’s degree in mechanical and electrical engineering from Beijing Institute of Machinery Industry (北京機械工業學院) in the PRC in July 1996. He further obtained his master’s degree in electronic and information engineering from the University of Science and Technology of China (中國科學技術大學) in the PRC in December 2005.

Mr. LU Yukun (盧玉坤), aged 44, first joined our Group in September 2017 as our chief technology officer and was appointed as a Director in August 2018, and also re-designated as an executive Director with effect from the Listing Date. Mr. LU was appointed as senior vice president in June 2025 and is primarily responsible for the strategic investments and capital market management of our Group. Mr. LU also serves as a director and general manager or a supervisor of our subsidiaries, including iMotion Automotive Technology (Jiaxing) Co., Ltd., iMotion Robotics (Suzhou) Co., Ltd., iMotion Electronics Technology (Suzhou) Co., Ltd. and One Square Meter Power (Suzhou) Co., Ltd.

As a R&D specialist, Mr. LU brings with him more than 19 years of extensive experience in the automotive industry and more specifically in technology development. Prior to joining our Group, Mr. LU worked at Bosch Automotive with his last position as the manager of the R&D division from March 2006 to December 2014, where he was primarily responsible for the R&D of automotive passive safety technology and driving assistance system. He also had successively served as the engineering manager of the R&D division at KSS Automotive from January 2015 to August 2016, as well as the deputy engineering director of innovation and new ventures at Nexteer Automotive (Suzhou) Co., Ltd. (耐世特汽車系統(蘇州)有限公司) from September 2016 to August 2017, where he was primarily responsible for the R&D of autonomous driving technology.

Mr. LU obtained his bachelor’s degree in information engineering from Nanjing University of Aeronautics and Astronautics (南京航空航天大學) in June 2004. He further obtained a master’s degree in signal processing and communications from the University of Edinburgh in the United Kingdom in November 2005.



Biographies of Directors, Supervisors, Senior Management and Company Secretary

Ms. JIANG Jingfang (蔣京芳), aged 58, was appointed as the president of our Company on May 23, 2024 and an executive Director on June 20, 2025. She is primarily responsible for the implementation of the group strategy and the achievement of business objectives of our Group.

Ms. JIANG is a seasoned veteran in the automotive industry with almost 26 years of experience spanning senior leadership positions with both domestic and localized international automotive companies. Before joining in our group, Ms. JIANG had served with the last position as the senior vice president and head of China ADAS Business Unit in Bosch Automotive from June 2000 to May 2021, and the senior vice president at Suzhou Holomatic Intelligent Technology Co., Ltd. (蘇州禾昆智能科技有限公司) from June 2021 to March 2024.

Ms. JIANG obtained her bachelor's degree in precision instrumentation from Shanghai Jiao Tong University (上海交通大學) in the PRC in July 1989. She further obtained her executive master of business administration (EMBA) degree from the Mannheim Tongji University (曼海姆同濟大學) in the PRC in 2017.

Ms. LIU Fang (劉芳), aged 43, was appointed as the chief financial officer of our Company on September 1, 2022 and an executive Director on June 20, 2025. She is primarily responsible for overseeing the finance and investment of our Group.

Ms. LIU is a multifaceted finance executive with years of experience in financial management, investment and business operations as well as over 7 years of experience in new energy vehicle related industry. Prior to joining our Group, from November 2017 to August 2022, Ms. LIU served in several senior roles at EKontrol Co., Ltd. (凱博易控車輛科技(蘇州)股份有限公司), a high-tech company focusing on providing premium products and total solutions for new energy commercial vehicle driving systems, including the investment vice president and chief financial officer, where she was primarily responsible for the overall management of financial affairs.

Ms. LIU obtained her bachelor's degree in accounting from University of International Business and Economics (對外經濟貿易大學) in the PRC in July 2005. Ms. LIU has also been a PRC certified public accountant in Jiangsu Institute of Certified Public Accountants (江蘇省註冊會計師協會).

Independent Non-executive Directors

Dr. ZHANG Weigong (張為公), aged 66, first joined our Group in November 2022 as an independent Director. He was re-designated as an independent non-executive Director with effect from the Listing Date. He is primarily responsible for providing independent judgment to our Board.

Since the nineties, Dr. ZHANG has been engaged in scientific research in the direction of automotive electronics and measurement and control technology. He is currently a professor and doctoral tutor at Southeast University (東南大學), as well as the head of key laboratory of automotive electronics and intelligent transportation in Suzhou City.

Dr. ZHANG obtained his bachelor's degree from the Nanjing Aviation College (currently Nanjing University of Aeronautics and Astronautics (南京航空航天大學)) in January 1982. He further obtained his doctor's degree in precision instruments and machinery from Southeast University in the PRC in October 2001. Dr. ZHANG also earned multiples awards and esteemed recognitions, such as (i) selected as a cultivation target of middle-aged and young academic leader of "Qinglan Project (青藍工程)" in 2004; and (ii) honored Suzhou Science and Technology Cooperation Contribution Award (蘇州市科技合作貢獻獎) in 2008.



Biographies of Directors, Supervisors, Senior Management and Company Secretary

Ms. XUE, Rui Shirley (薛睿), aged 41, was appointed as an independent non-executive Director with effect from the Listing Date. She is primarily responsible for providing independent judgment to our Board.

Since February 2022, Ms. XUE has been a managing director (董事總經理) at Aurora Capital Partners (朝暉資本), a tech-focused early stage venture investment fund specializing in advanced manufacturing, semiconductor and biotech industries, in charge of early stage equity investment and investor relations matters. Prior to this, Ms. XUE gained extensive experience in both financial management and corporate strategies through holding a series of management positions in TMT enterprises, including the chief financial officer of Soulgate Hong Kong Limited from November 2020 to November 2021 and an assistant general manager in mergers and acquisitions, finance and portfolio management at Tencent Holdings Limited, a technology company listed on the Stock Exchange (stock code: 700), from August 2017 to November 2020. Ms. XUE's early career was with Deutsche Bank AG, where she held key senior roles including the head of China TMT coverage, responsible for advising clients on fund raising and merger and acquisition activities covering TMT sectors in Greater China.

Ms. XUE obtained her bachelor of arts from the University of Pennsylvania in the United States in May 2006. She further obtained her master's degree in business administration from China Europe International Business School in the PRC in June 2022. Ms. XUE is a fellow member of CPA Australia.

SUPERVISORS

Mr. ZHU Qinghua (朱慶華), aged 45, first joined our Company in May 2018 and was appointed as a Supervisor on November 17, 2022. He is primarily responsible for supervising the performance of our Directors and members of senior management and performing other supervisory duties as a Supervisor. Mr. ZHU also served and has been serving various positions within our Group, including (i) a Director from June 2020 to November 2022; (ii) the director of sales in the Company from May 2018 to February 2021; (iii) the senior director of sales in the Company from March 2021 to August 2022; (iv) a vice president of the Company responsible for sales since September 2022; and (v) a supervisor of Shanghai Aimoxing Automobile Technology Co., Ltd. (上海艾摩星汽車科技有限公司), a wholly-owned subsidiary of our Company since September 2021.

Prior to joining our Group, from August 2015 to April 2018, Mr. ZHU served as a senior manager of Roechling Automotive Parts (Kunshan) Co., Ltd. (勞士領汽車配件(昆山)有限公司), overseeing the management of business development. Before his sales roles, Mr. ZHU has accumulated practical experience for over 12 years in the development of automotive electronics, which was testified by his previous positions, including being a senior project engineer at Bosch Automotive from May 2008 to July 2015, overseeing the development of automotive electronic parts, being a design engineer at Marelli Power Systems (Shanghai) Co., Ltd. (馬瑞利動力系統(上海)有限公司) (currently Marelli (China) Co., Ltd. (馬瑞利(中國)有限公司)) from September 2006, and being an designer at Chery Automobile Co., Ltd. (奇瑞汽車股份有限公司) from December 2003 to June 2006.

Mr. ZHU obtained his bachelor's degree in thermal and dynamic engineering from Wuhan University of Technology (武漢理工大學) in the PRC in June 2003.



Biographies of Directors, Supervisors, Senior Management and Company Secretary

Mr. WANG Bingjie (汪冰潔), aged 39, first joined our Company in June 2017 and has been appointed as a Supervisor on November 17, 2022. He is primarily responsible for supervising the performance of our Directors and members of senior management and performing other supervisory duties as a Supervisor.

Mr. WANG also served and has been serving various senior positions within our Group, including (i) a senior hardware engineer in the Company from June 2017 to January 2019; (ii) a director hardware engineer from February 2019 to May 2020 and (iii) the director of hardware in our Company since June 2020. Prior to joining our Group, Mr. WANG had served as a senior hardware engineer at KSS Automotive from May 2015 to June 2017, where he worked on the hardware design, development and management of ADAS. Previously, Mr. WANG worked at ASUS Technology (Suzhou) Co., Ltd. (華碩科技(蘇州)有限公司) from July 2008 to May 2015.

Mr. WANG obtained his bachelor's degree in biomedical engineering from Hefei University of Technology (合肥工業大學) in the PRC in June 2008.

Ms. GAO Liyun (高黎昀), aged 40, joined the Company in February 2018 as senior human resources director and was appointed as an employee representative Supervisor with effect from November 14, 2025. Ms. Gao also serves as a director or general manager of our subsidiaries, including Wuhan Aimoxing Automobile Technology Co., Ltd and Shenzhen Aimoxing Automobile Technology Co., Ltd.

Prior to joining the Group, Ms. GAO worked as a human resources business partner at NIO Automotive Systems (Suzhou) Co., Ltd. from January 2016 to February 2018. From January 2014 to January 2016, she served as a human resources specialist at Weir Global Valve and Control (Suzhou) Co., Ltd. From October 2010 to January 2014, she took the position of a human resources administrative specialist at the technical center of Grundfos Water Pump (Suzhou) Co., Ltd. in China. From August 2008 to October 2010, she worked as a human resources specialist at Ingersoll Rand (China) Industrial Equipment Manufacturing Co., Ltd..

Ms. GAO obtained a Bachelor's degree in Economics from Lanzhou University of Finance and Economics in June 2008.

SENIOR MANAGEMENT

Mr. SONG Yang (宋陽), aged 51, was appointed as the chief executive officer of the Group on April 1, 2017. See "DIRECTORS – Executive Directors" of this section for profile of Mr. SONG Yang.

Mr. LU Yukun (盧玉坤), aged 44, was appointed as the chief technology officer of the Group on September 1, 2017 and was appointed as senior vice president of the Group in June 2025. See "DIRECTORS – Executive Directors" of this section for profile of Mr. LU Yukun.

Ms. JIANG Jingfang (蔣京芳), aged 58, was appointed as the president of our Company on May 23, 2024. See "DIRECTORS – Executive Directors" of this section for profile of Ms. JIANG Jingfang.

Ms. LIU Fang (劉芳), aged 43, was appointed as the chief financial officer of our Company on September 1, 2022. See "DIRECTORS – Executive Directors" of this section for profile of Ms. LIU Fang.



Biographies of Directors, Supervisors, Senior Management and Company Secretary

COMPANY SECRETARIES

Ms. LIU Fang (劉芳), was appointed on March 9, 2023 as a joint company secretary of our Company. See “DIRECTORS – Executive Directors” of this section for profile of Ms. LIU Fang.

Mr. CHUNG Ming Fai (鍾明輝), was appointed on March 9, 2023 as a joint company secretary of our Company. He has over 21 years of experience in corporate secretary, mergers and acquisitions, financial reporting and auditing. Mr. CHUNG is a senior vice president of SWCS Corporate Services Group (Hong Kong) Limited, and is mainly responsible for managing the company secretarial and compliance work for companies listed on the Stock Exchange.

Mr. CHUNG is currently a fellow member of the Hong Kong Institute of Certified Public Accountants and a member of CPA Australia. He obtained his bachelor’s degree in commerce from the Australian National University in December 2003.



Corporate Governance Report

CORPORATE GOVERNANCE PRACTICE OF THE COMPANY

The Company is committed to maintaining high standards of corporate governance to safeguard the interests of the Shareholders and to enhance corporate value and accountability. The Company has adopted the CG Code as its own code of corporate governance. The Company regularly reviews its corporate governance practice to ensure the compliance with the CG Code.

Save as disclosed in this annual report, the Company has complied with all applicable code provisions under the CG Code during the Reporting Period. The Company will continue to review and monitor its corporate governance practices to ensure compliance with the CG Code. The major corporate governance principles and practices of the Company are summarised as below.

Corporate Governance Culture

A healthy corporate culture across the Group is integral to attaining its vision and strategy. The Company is committed to ensuring that its affairs are conducted in accordance with good corporate governance practices, which seek to ensure that overall business risk of the Group is assessed and managed appropriately and sustainable returns can be delivered to its shareholders. The Board is committed towards lawful, ethical and responsible operation of our business to achieve our core corporate mission “Smart Mobility For Everyone” (人人擁有智能出行) and our vision “Most Trustworthy Smart Mobility Partner” (最值得信賴的智能出行合作夥伴). In order to promote honesty-based and win-win cooperation in the operating environment, the Company has designed and adopted strict internal procedures to ensure the compliance of its business operations with the relevant rules and regulations. The CG code published by the Stock Exchange sets out the principles of good corporate governance, and the Group manages its corporate affairs (such as its board composition, audit, internal control and risk management) in accordance with such principles. The Company implemented strict internal procedures with respect to anti-bribery, anti-corruption and anti-fraud which enables the Company to improve long-term sustainable performance. This corporate governance report provides a channel through which Shareholders may evaluate how the Group has applied such principles to its business.

BOARD COMPOSITION

The composition of the Board during the Reporting Period and as at the date of this annual report is as follows:

Executive Directors

Mr. SONG Yang
 Mr. LU Yukun
 Ms. JIANG Jingfang (appointed on June 20, 2025)
 Ms. LIU Fang (appointed on June 20, 2025)
 Mr. LI Shuangjiang (resigned on November 14, 2025)

Non-executive Directors

Mr. LI Chengsheng (resigned on April 11, 2025)
 Mr. TAO Zhixin (resigned on May 2, 2025)
 Mr. YANG Yuankui (resigned on April 25, 2025)

Independent Non-executive Directors

Dr. ZHANG Weigong
 Ms. XUE, Rui Shirley
 Mr. LIU Yong (resigned on January 15, 2026)



Corporate Governance Report

The Board considers that the composition of the Board provides a strong independent element with a balance of skills, experience and diversity of perspectives appropriate for the requirements of the business of the Company.

Save as disclosed in the biographies of the Directors as set out in the section headed “BIOGRAPHIES OF DIRECTORS, SUPERVISORS, SENIOR MANAGEMENT AND COMPANY SECRETARY” of this annual report, none of the Directors has any personal relationship (including financial, business, family or other material/relevant relationship) with any other Directors, Supervisors or senior management.

All Directors, including independent non-executive Directors, have brought a wide spectrum of valuable business experience, knowledge and expertise to the Board for its efficient and effective functioning. Independent non-executive Directors are invited to serve on the Audit Committee, the Remuneration and Appraisal Committee, and the Nomination Committee.

As regards the code provision under the CG Code requiring directors to disclose the number and nature of offices held in public companies or organizations and other significant commitments as well as their identity and the time involved to the issuer, the Directors have agreed to disclose their commitments to the Company in a timely manner.

BOARD OF DIRECTORS' RESPONSIBILITIES AND DELEGATION OF AUTHORITY

The Board is responsible for the leadership and control of the Company, directing and supervising the affairs of the Company and acting in the best interests of the Company and its Shareholders.

The Board recognizes that corporate governance should be the collective responsibility of Directors which include: (a) to develop and review the Company's policies and practices on corporate governance; (b) to review and monitor the training and continuous professional development of Directors and senior management of the Company; (c) to review and monitor the Company's policies and practices on compliance with legal and regulatory requirements; (d) to develop, review and monitor the code of conduct and compliance manual (if any) applicable to employees and Directors; and (e) to review the Company's compliance with the CG Code and disclosure in the Corporate Governance Report.

The Board reserves for its decision all major matters of the Company, including: approval and monitoring of all policy matters, overall strategies and budgets, internal control and risk management systems, material transactions (in particular those that may involve conflict of interests), financial information, appointment of Directors and other significant financial and operational matters. Directors could have recourse to seek independent professional advice in performing their duties at the Company's expense to assist them perform their duties to the Company and are encouraged to access and to consult with the Company's senior management independently. The daily management, administration and operation of the Group are delegated to the senior management. The delegated functions and responsibilities are periodically reviewed by the Board. Approval has to be obtained from the Board prior to any significant transactions entered into by the management.



Corporate Governance Report

MECHANISMS FOR THE BOARD TO OBTAIN INDEPENDENT VIEWS AND OPINIONS

The Board reviewed and considered that the following key features or mechanisms under Company's governance structure are effective in ensuring that independent views and inputs are provided to the Board:

Composition of the Board: Throughout the Reporting Period, the Board had at all times complied with Rules 3.10 and 3.10A of the Listing Rules. Throughout the Reporting Period, the Company had three independent non-executive Directors, representing more than one-third of the Board. At least one of the independent non-executive Directors possesses appropriate professional qualifications or accounting or related financial management expertise.

Independence assessment: Each of the independent non-executive Directors has made an annual confirmation of independence pursuant to Rule 3.13 of the Listing Rules. The Company is of the view that all independent non-executive Directors are independent in accordance with the guidelines set out in Rule 3.13 of the Listing Rules.

Board decision-making: A Director who has a material interest in any transaction, contract or arrangement shall not vote (nor shall be counted in the quorum) on any Board resolution approving the same. If a substantial shareholder or a Director has a conflict of interest in a matter to be considered by the Board which the Board has determined to be material, such matter shall be dealt with in a Board meeting rather than by a written resolution.

Communication between the Chairman and the independent non-executive Directors: The Chairman of the Board values communication with the independent non-executive Directors highly and holds meetings with them at least once each year without the presence of other Directors.

Remuneration of independent non-executive Directors: Independent non-executive Directors receive fixed fees for their role as members of the Board and Board committees. No equity-based compensation with performance-related elements is granted to the independent non-executive Directors to avoid potential bias in their decision-making or compromise to their objectivity and independence.

Board evaluation: The Board assesses and reviews the time contributed by each independent non-executive Director and their attendance at Board and Board committee meetings, so as to ensure that every independent non-executive Director has devoted sufficient time to the Board to discharge his responsibilities as a Director of the Company.

Professional advice: To facilitate proper discharge of their duties, all Directors are entitled to seek advice from the company secretary or the in-house legal team as well as from independent professional advisers at the Company's expense.

The Company has established formal and informal channels of communication to ensure that independent views and inputs are available to the Board. Our Articles of Association and the terms of references of various board committee have set out a formal framework to ensure that the independent non-executive Directors remain independent and free to express their views, and their views are systematically considered by the Board. The executive Directors and the chairman also engage regularly and directly with the independent non-executive Directors to receive their independent views and inputs in a relation to a wide variety of matters.



Corporate Governance Report

BOARD MEETINGS

During the Reporting Period, a total of 10 Board meetings were held. The record of attendance of the Directors at Board meetings is set out below:

Name of Directors	Attendance/ No. of Board meetings held	Attendance rate (%)
Executive Directors		
Mr. SONG Yang	10/10	100
Mr. LU Yukun	10/10	100
Ms. JIANG Jingfang (appointed on June 20, 2025)	5/5	100
Ms. LIU Fang (appointed on June 20, 2025)	5/5	100
Mr. LI Shuangjiang (resigned on November 14, 2025)	9/9	100
Non-executive Directors		
Mr. LI Chengsheng (resigned on April 11, 2025)	4/4	100
Mr. TAO Zhixin (resigned on May 2, 2025)	4/4	100
Mr. YANG Yuankui (resigned on April 25, 2025)	4/4	100
Independent Non-Executive Directors		
Dr. ZHANG Weigong	10/10	100
Ms. XUE, Rui Shirley	10/10	100
Mr. LIU Yong (resigned on January 15, 2026)	10/10	100



Corporate Governance Report

GENERAL MEETING

During the Reporting Period, two general meetings were held and the attendance record of each Director is set out in the table below:

Name of Directors	Attendance/ No. of general meetings held	Attendance rate (%)
Executive Directors		
Mr. SONG Yang	2/2	100
Mr. LU Yukun	2/2	100
Ms. JIANG Jingfang (appointed on June 20, 2025)	1/1	100
Ms. LIU Fang (appointed on June 20, 2025)	1/1	100
Mr. LI Shuangjiang (resigned on November 14, 2025)	2/2	100
Non-executive Directors		
Mr. LI Chengsheng (resigned on April 11, 2025)	0/0	NA
Mr. YANG Yuankui (resigned on April 25, 2025)	0/0	NA
Mr. TAO Zhixin (resigned on May 2, 2025)	0/0	NA
Independent Non-Executive Directors		
Dr. ZHANG Weigong	2/2	100
Ms. XUE, Rui Shirley	2/2	100
Mr. LIU Yong (resigned on January 15, 2026)	2/2	100



Corporate Governance Report

APPOINTMENT AND RE-ELECTION OF DIRECTORS

Each of the executive Directors, non-executive Directors and independent non-executive Directors has entered into a service contract or letter of appointment with the Company for a fixed term of three years commencing from the respective appointment date until the date of convening the Shareholders' meeting to elect directors at the expiry of that session.

Directors shall be elected at a general meeting and shall serve a term of three years. Directors shall be elected or replaced at the shareholders' general meetings to hold for a term of three years. Upon maturity of the term of office, a director shall be eligible to offer himself/herself for re-election and re-appointment. If the term of office of a director expires but re-election is not made responsively, the said director shall continue fulfilling the duties as director pursuant to relevant laws, administrative regulations, departmental rules and the Articles of Association until a new director is elected.

The procedures and process of appointment, re-election and removal of Directors are set out in the Articles of Association and the nomination policy of the Company. The Nomination Committee is responsible for reviewing the Board's structure, size and composition, assessing the independence of independent non – executive Directors and making recommendations to the Board on the appointment or re-election of Directors and succession planning for Directors.

CONTINUING PROFESSIONAL DEVELOPMENT FOR DIRECTORS

On appointment to the Board, each Director received a comprehensive induction package covering business operations, policy and procedures of the Company as well as the general, statutory and regulatory obligations of being a Director to ensure that he/she is sufficiently aware of his/her responsibilities under the Listing Rules and other relevant regulatory requirements.

The Directors are regularly updated and apprised of the amendments to or updates on the relevant laws, rules, regulations and guidelines, particularly the effects of such new or amended laws, rules, regulations and guidelines on directors specifically, and the Company and the Group generally.

On an ongoing basis, Directors are encouraged to keep up-to-date on all matters relevant to the Group and to attend briefings, seminars and relevant training courses as appropriate. The Directors are requested to provide the Company with their respective training record pursuant to the requirement of the CG Code on continuous professional development.

Ms. JIANG Jingfang and Ms. LIU Fang were appointed as the executive Directors on June 20, 2025. Each of Ms. JIANG and Ms. LIU obtained the legal advice referred to in Rule 3.09D of the Listing Rules on June 20, 2025. Each of Ms. JIANG and Ms. LIU confirmed that she understood her obligations as a Director.



Corporate Governance Report

During the Reporting Period, the training records of the Directors are summarized as follows:

Name of Directors	Nature of continuous professional development programs ^(Note)
Executive Directors	
Mr. SONG Yang	A&B
Mr. LU Yukun	A&B
Ms. JIANG Jingfang (appointed on June 20, 2025)	A&B
Ms. LIU Fang (appointed on June 20, 2025)	A&B
Independent Non-Executive Directors	
Dr. ZHANG Weigong	A&B
Ms. XUE, Rui Shirley	A&B
Mr. LIU Yong (resigned on January 15, 2026)	A&B

Notes:

- A. Participating in the training offered by the law firm and related to the Company's business
- B. Reading materials on a variety of topics, including corporate governance issues, Directors' duties, Listing Rules and other relevant laws

DIRECTORS' RESPONSIBILITIES FOR FINANCIAL REPORTING

The directors acknowledge their responsibilities for preparing the financial statements of the Company for the year ended December 31, 2025. The Board is responsible for presenting a balanced, clear and understandable assessment of annual and interim reports, inside information announcements and other financial disclosures required by the Listing Rules and other regulatory requirements. The senior management has provided such explanation and information to the Board as necessary to enable the Board to carry out an informed assessment of the financial information and position of the Company in order to put forward such information to the Board for approval.

The Directors are not aware of any material uncertainties relating to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern.

The statement of the independent auditor of the Company about their reporting responsibilities on the consolidated financial statements is set out in the Independent Auditor's Report of this annual report.



Corporate Governance Report

BOARD DIVERSITY POLICY

Our Company recognizes and embraces the benefits of having a diverse Board and sees increasing diversity at the Board level as an essential element in supporting the attainment of our Company's strategic objectives and sustainable development. In order to enhance the effectiveness of our Board and to maintain the high standard of corporate governance, we have adopted the board diversity policy (the "**Board Diversity Policy**") which sets out the objective and approach to achieve and maintain diversity of our Board. Pursuant to the Board Diversity Policy, we seek to achieve the diversity of the Board through the consideration of a number of factors when selecting the candidates to our Board, including but not limited to gender, skills, age, professional experience, knowledge, cultural, education background, ethnicity and length of service. We will select potential Board candidates based on merit and his/her potential contribution to our Board while taking into consideration our own business model and specific needs from time to time. All Board appointments will be based on meritocracy and candidates will be considered against objective criteria, having due regard to the benefits of diversity on our Board.

We recognize the particular importance of gender diversity on our Board. We will take steps to promote and enhance gender diversity at all levels of our Company, including but without limitation at our Board and senior management levels. Our Board Diversity Policy provides that our Board shall take opportunities when selecting and making recommendations on suitable candidates for Board appointments with the aim of increasing the proportion of female members over time. In particular, taking into account the business needs of our Group and changing circumstances that may affect our business plans, we will actively identify and select several female individuals with a diverse range of skills, experience and knowledge in different fields from time to time, and maintain a list of such female individuals who possess qualities to become our Board members, which will be periodically reviewed by the Nomination Committee in order to develop a pipeline of potential successors to our Board and promote gender diversity. Additionally, female representatives of our investors are also considered as potential candidates for Board appointments. We will also ensure that there is gender diversity when recruiting staff at the mid – to senior – levels so that we have a pipeline of female senior management and potential successors to our Board going forward. We plan to offer well-rounded trainings to female employees whom we consider have the requisite experience, skills and knowledge of our operation and business, on topics including but not limited to business operation, management, accounting and finance, and legal compliance. We are of the view that such strategies will provide our Board with ample opportunities to identify capable female employees to be nominated as Directors in the future, fulfilling our aim to develop a pipeline of female candidates to achieve greater gender diversity in our Board in the long run. We believe that such a merit-based selection process with reference to our diversity policy and the nature of our business will be in the best interests of our Company and our Shareholders as a whole. It is our objective to maintain an appropriate balance of gender diversity with reference to the stakeholders' expectations and international and local recommended best practices.

Our Directors have a balanced mix of knowledge and skills, including in machinery and automotive, engineering, business development, investment management and corporate finance. They obtained degrees in various majors, including electronic and information engineering, signal processing and communications, facility and environment management, accounting as well as business administration. We have two independent non-executive Directors with different industry backgrounds, representing one third of the members of our Board.

The Nomination Committee is responsible for ensuring the diversity of our Board members and will monitor the implementation of the Board Diversity Policy and review the Board Diversity Policy from time to time to ensure its continued effectiveness and we will disclose in our corporate governance report about the implementation of the Board Diversity Policy on an annual basis.



Corporate Governance Report

Gender Diversity

As at December 31, 2025, the Board has three female Director (i.e. Ms. JIANG Jingfang, Ms. LIU Fang and Ms. XUE, Rui Shirley), accounting for 42.9% of all the Directors, two female senior management member (i.e. Ms. JIANG Jingfang and Ms. LIU Fang), accounting for 50% of the senior management of the Company, and a total of 101 female employees, accounting for 17.91% of all the employees, and the Group considers that the above current circumstances of gender diversity are satisfactory. In general, the female gender ratio in the workforce is relatively low in the intelligent driving industry in which the Group operates. For the Reporting Period, there were no mitigating factors or circumstances which make achieving gender diversity across the workforce (including the Board, senior management and other employees) more challenging or less relevant.

Similar considerations shall also be in place to assess the candidacy of the senior management team from time to time. The Company is determined to maintain gender diversity and equality in terms of the whole workforce, and to procure the senior management team to achieve gender equality in terms of the gender ratio.

DIRECTOR NOMINATION POLICY

The Company has adopted a director nomination policy (the “**Director Nomination Policy**”) which sets out the selection criteria and process and the Board succession planning considerations in relation to nomination and appointment of Directors of the Company and aims to ensure that the Board has a balance of skills, experience and diversity of perspectives appropriate to the Company and the continuity of the Board and appropriate leadership at Board level.

The Director Nomination Policy sets out the factors for assessing the suitability and the potential contribution to the Board of a proposed candidate, including but not limited to the following:

- Character and integrity;
- Qualifications including professional qualifications, skills, knowledge and experience that are relevant to the Company’s business and corporate strategy;
- Diversity in all aspects, including but not limited to gender, age, cultural and educational background, ethnicity, professional experience, skills, knowledge and length of service;
- Requirements of independent non-executive Directors on the Board and independence of the proposed independent non-executive Directors in accordance with the Listing Rules; and
- Commitment in respect of available time and relevant interest to discharge duties as a member of the Board and/or Board committee(s) of the Company.

The Director Nomination Policy also sets out the procedures for the selection and appointment of new Directors and re-election of Directors at general meetings.

The Nomination Committee will review the Director Nomination Policy, as appropriate, to ensure its effectiveness.



Corporate Governance Report

CHAIRMAN AND CHIEF EXECUTIVE OFFICER

Mr. SONG Yang is currently both the chief executive officer of the Company and the chairman of the Board. Code provision C.2.1 of the CG Code stipulates that the roles of chairman and chief executive should be segregated and should not be performed by the same individual. The Board believes that vesting the roles of both chief executive officer and chairman of the Board in the same person has the benefit of ensuring consistent leadership and efficient discharge of executive functions within the Group. The Group considers that the balance of power and authority of the present arrangement will not be impaired as the Board comprises five other experienced and high-calibre individuals as at the date of this report, including another three executive Directors and two independent non-executive Directors who would be able to offer advice from various perspectives. In addition, for major decisions of the Group, the Board will make consultations with appropriate Board committees and senior management. Therefore, the Directors consider that the present arrangement is beneficial to and in the interest of the Company and the shareholders of the Company as a whole and the deviation from code provision C.2.1 of the CG Code is appropriate in such circumstance.

INDEPENDENT NON-EXECUTIVE DIRECTORS

During the Reporting Period, the Board at all times met the requirements of the Listing Rules relating to the appointment of at least three independent non-executive Directors representing at least one-third of the Board with one of whom possessing appropriate professional qualifications or accounting or related financial management expertise. All independent non-executive Directors have confirmed their independence pursuant to the factors set out in Rule 3.13 of the Listing Rules. The Board has assessed their independence and concluded that all independent non-executive Directors are independent as they were free from any business or other relationship which could affect their ability to discharge their duties independently.

Mr. LIU Yong resigned as an independent non-executive Director due to his personal work arrangements on January 15, 2026, which was subsequent to the Reporting Period. Following the resignation of Mr. LIU, the Company failed to meet the requirements (among others) that the Board must include at least three independent non-executive directors under Rule 3.10(1) of the Listing Rules. In order to comply with the Listing Rules, the Company is in the course of identifying suitable candidates to fill the vacancies for the positions of independent non-executive Director.

BOARD COMMITTEES

The Board has established four committees, namely the Audit Committee, the Remuneration and Appraisal Committee, the Nomination Committee, and the Strategy Committee, for overseeing particular aspects of the Company's affairs. All of these four committees are established with defined written terms of reference which are available at the websites of the Stock Exchange and the Company. All Board committees must report to the Board on their decisions or proposals.

Audit Committee

We have established an Audit Committee in compliance with Rule 3.21 of the Listing Rules and the CG Code. The primary duties of the Audit Committee are to review and supervise the financial reporting process and internal controls system of the Group, review and approve connected transactions and advise the Board. During the Reporting Period, the Audit Committee comprises three independent non-executive Directors, namely Mr. LIU Yong, Dr. ZHANG Weigong and Ms. XUE, Rui Shirley. Mr. LIU Yong, being the chairman of the Audit Committee, appropriately qualified as required under Rules 3.10(2) and 3.21 of the Listing Rules.



Corporate Governance Report

Following the resignation of Mr. LIU Yong on January 15, 2026 as the chairman of the Audit Committee, the Company failed to meet the requirement that the audit committee must comprise a minimum of three members and must be chaired by an independent non-executive director, under Rule 3.21 of the Listing Rules. In order to comply with the Listing Rules, the Company is in the course of identifying suitable candidates to fill the vacancy of Mr. LIU.

Three Audit Committee's meetings have been held during the Reporting Period to discuss and consider, among others, the following matters: (i) the proposal on the audit plan for the 2024 annual report reported by the Company's auditor; (ii) the proposal on the report of the Company's auditor on the completion of the 2024 audit; (iii) the proposal on the Company's auditor's report for 2024; (iv) the proposal on the financial final accounts for 2024; (v) the proposal on the financial budget for 2025; (vi) the proposal on re-appointment of the auditor; and (vii) the proposal on approving the 2025 interim results announcement and publishing the 2025 interim report;.

The attendance records of the meetings are as follows:

Name of Members of the Audit Committee	Attendance/ No. of meetings held
Mr. LIU Yong <i>(Note)</i>	3/3
Dr. ZHANG Weigong	3/3
Ms. XUE, Rui Shirley	3/3

Note: Mr. LIU Yong resigned as a member of the Audit Committee on January 15, 2026.

Remuneration and Appraisal Committee

We have established a Remuneration and Appraisal Committee in compliance with Rule 3.25 of the Listing Rules and the CG Code. The primary duties of the Remuneration and Appraisal Committee are to review and make recommendations to the Board regarding the terms of remuneration packages, bonuses and other compensation payable to our Directors and senior management. During the Reporting Period, the Remuneration and Appraisal Committee comprises one executive Director and two independent non-executive Directors, namely Ms. XUE, Rui Shirley, Mr. LIU Yong and Mr. LU Yukun. Ms. XUE, Rui Shirley is the chairlady of the Remuneration and Appraisal Committee.

One Remuneration and Appraisal Committee's meeting had been held during the Reporting Period to discuss and consider, among others, the following matters: (i) the proposal on Director and Supervisor allowances; and (ii) the proposal on senior management compensation.

The attendance records of the meetings are as follows:

Name of Members of the Remuneration and Appraisal Committee	Attendance/ No. of meetings held
Ms. XUE, Rui Shirley	1/1
Mr. LIU Yong <i>(Note)</i>	1/1
Mr. LU Yukun	1/1

Note: Mr. LIU Yong resigned as a member of the Remuneration and Appraisal Committee on January 15, 2026.



Corporate Governance Report

Pursuant to code provision of E.1.5 of the CG Code, details of the annual remuneration of the members of the senior management (other than Directors) by band for the Reporting Period is as follows:

	Number of individuals
HKD1,000,001-HKD1,500,000	1
HKD1,500,001-HKD2,000,000	1
HKD2,000,001-HKD2,500,000	1
HKD3,000,001-HKD3,500,000	1

For additional information on the Directors' and Supervisors' remuneration for the year ended 31 December 2025, please refer to Note 9 to the Consolidated Financial Statements in this annual report.

Nomination Committee

We have established the Nomination Committee in compliance with the CG Code. The primary duties of the Nomination Committee are to make recommendations to our Board regarding the appointment of Directors and Board succession. During the Reporting Period, the Nomination Committee comprises one executive Director and two independent non-executive Directors, namely Dr. ZHANG Weigong, Ms. XUE, Rui Shirley and Mr. SONG Yang. Dr. ZHANG Weigong is the chairman of the Nomination Committee.

For the appointment and nomination of new Directors, the Nomination Committee will consider the candidates on merit against objective criteria and with due regards to the benefits of diversity on the Board and take into account the qualification, ability, working experience, leadership and professional ethics of the candidates, especially their experience in the relevant industry and/or other professional areas.

Three Nomination Committee's meetings have been held during the Reporting Period to discuss and consider, among others, the following matters: (i) the proposal on the Revision of Certain Provisions of the Terms of Reference and Rules of Procedure of the Nomination Committee of the Company; (ii) the proposal on the Appointment of two additional Executive Directors; (iii) the proposal on the Appointment of additional members to the Strategy Committee of the Board; and (iv) the proposal on the election of new session of the Board of Directors.

The attendance records of the meetings are as follows:

Name of Members of the Nomination Committee	Attendance/ No. of meetings held
Dr. ZHANG Weigong	3/3
Ms. XUE, Rui Shirley	3/3
Mr. SONG Yang	3/3



Corporate Governance Report

Strategy Committee

We have established the Strategy Committee consisting of Mr. SONG Yang, Mr. LU Yukun and Dr. ZHANG Weigong, with Mr. SONG Yang being the chairman of the Strategy Committee. The primary duties of the Strategy Committee are to study and advise on the long term strategy and operation plans of our Group. The Strategy Committee will assist the Board, in conjunction with our management, in addressing our Company's overall mission, vision and strategic direction. Areas of focus will include: providing the Board and management, as applicable, with input and recommendations with respect to key strategic initiatives and major R&D programs and partnerships; and assisting management in establishing a strategic planning process, identifying and addressing organizational challenges and evaluating strategic alternatives.

No Strategy Committee's meeting had been held during the Reporting Period.

MODEL CODE FOR SECURITIES TRANSACTIONS

The Company has adopted the Model Code set out in Appendix C3 to the Listing Rules as its code of conduct regarding Directors' and Supervisors' securities transactions. After making specific enquiries to all the Directors and Supervisors, each of them has confirmed that they have complied with the Model Code throughout the Reporting Period.

JOINT COMPANY SECRETARIES

Ms. LIU Fang is an executive Director and the chief financial officer of the Company. She was appointed as the joint company secretary of the Company on March 9, 2023. See "DIRECTORS – Executive Directors" of the section headed "BIOGRAPHIES OF DIRECTORS, SUPERVISORS, SENIOR MANAGEMENT AND COMPANY SECRETARY" for profile of Ms. LIU.

Mr. CHUNG Ming Fai was appointed as the joint company secretary of the Company on March 9, 2023. See "COMPANY SECRETARIES" of the section headed "BIOGRAPHIES OF DIRECTORS, SUPERVISORS, SENIOR MANAGEMENT AND COMPANY SECRETARY" for profile of Mr. CHUNG.

All Directors have access to the advice and services of the joint company secretaries on corporate governance and board practices and matters. Ms. LIU Fang, one of the joint company secretaries, has been designated as the primary contact person of the Company which would work and communicate with Mr. CHUNG Ming Fai on the Company's corporate governance and secretarial and administrative matters.



Corporate Governance Report

During the Reporting Period, Ms. LIU Fang and Mr. CHUNG Ming Fai have participated in relevant professional training for no less than 15 hours to comply with Rule 3.29 of the Listing Rules.

REMUNERATION OF AUDITORS

An analysis of the remuneration paid/payable to the Company's external auditor, KMPG, for audit services and non-audit services for the year ended December 31, 2025 is set out below:

Service Category	Fees Paid/Payable <i>(RMB' million)</i>
Annual Audit Services	1.68
Non-audit Services	0

Notes:

1. The fees set out in the table has not been accounted for in the consolidated financial statements of the Company in this annual report since the date of the recognition of such expenses fall after the Reporting Period pursuant to the accounting standards.

RISK MANAGEMENT AND INTERNAL CONTROL

The Board has established a risk management and internal control system in accordance with the requirements of the CG Code. It acknowledges its responsibility for the risk management and internal control systems and reviewing the adequacy and effectiveness of the Company's risk management and internal control system, continuously monitoring and reviewing the effectiveness of its operation at least once a year. The Board has the overall responsibility for evaluating and determining the nature and extent of the risks it is willing to take in achieving the Company's strategic objectives, and establishing and maintaining appropriate and effective risk management and internal control systems. The system is designed to manage, rather than eliminate, the risk of failure to achieve business objectives, promote effective and efficient operations, provide reasonable assurance of financial reporting reliability and compliance with applicable laws and regulations, and safeguard the Company's assets. The Board of Directors can only make reasonable but not absolute assurances that there will be no material misrepresentation or loss. The Audit Committee is responsible for monitoring the implementation of our risk management policies across our Company on an ongoing basis to ensure that our internal control system is effective in identifying, managing, and mitigating risks involved in our business operations.

The Company has developed and adopted various risk management procedures and guidelines with defined authority for implementation by key business processes and office functions, including financial reporting, internal control and human resources. The Company's risk management and internal control systems have been developed with the following principles, features and processes:



Corporate Governance Report

Financial Reporting Risk Management

We have in place a set of accounting policies in connection with our financial reporting risk management. We have various procedures in place to implement accounting policies, and our financial department reviews our management accounts based on such procedures. We also provide regular training to our finance department employees to ensure that they understand our financial management and accounting policies and implement them in our daily operations.

Internal Control Risk Management

We have designed and adopted strict internal procedures to ensure the compliance of our business operations with the relevant rules and regulations. Our compliance team works closely with our finance and business departments to: (a) perform risk assessments and advise risk management strategies; (b) improve business process efficiency and monitor internal control effectiveness; and (c) promote risk awareness throughout our Company. We maintain internal procedures to ensure that we have obtained all material requisite licenses, permits and approvals for our business operation, and our internal control team will review and monitor the status and effectiveness of those licenses and approvals. Our compliance team works with relevant business departments to obtain requisite governmental approvals or consents for filing with relevant government authorities.

Human Resources Risk Management

We provide regular and specialized training tailored to the needs of our employees in different departments. Through these trainings, we ensure that our staff's skill sets remain up-to-date and enable them to discover and meet our customers' needs. We have in place an employee handbook approved by our management and distributed to all our employees, which contains internal rules and guidelines regarding best commercial practice, work ethics, fraud prevention mechanism, negligence and corruption. We also provide employees with resources for explanation on guidelines contained in the employee handbook.

We also have in place a code of business conduct and ethics, and an anti-bribery and corruption policy approved by our board of directors, providing to our employees the best commercial practice and work ethics as well as our anti-bribery guidance and measures. We make our internal reporting channel open and available to our staff for any wrongdoing or misconduct. Reported incidents and persons will be investigated and appropriate measures will be taken in response to the findings.

DISCLOSURE OF INSIDER INFORMATION

With respect to the procedures and internal controls for the handling and dissemination of inside information, the Group has internal policy and procedures which strictly prohibit unauthorised use of inside information and has communicated to all staff; the Board is aware of its obligations to announce any inside information in accordance with the Listing Rules and conducts the affairs with reference to the "Guidelines on Disclosure of Inside Information" issued by the SFC in June 2012. In addition, only Directors and delegated officers can act as the Group's spokesperson and respond to external enquiries about the Group's affairs.

The Company also maintains an internal audit department that is responsible for reviewing the effectiveness of internal controls and reporting to the Audit Committee on any issues identified. Our internal audit department holds regular meetings with the management to discuss any internal control issues we face and the corresponding measures to implement toward resolving such issues.



Corporate Governance Report

The Company continues to improve risk management policies and procedures, specify the risk management structure and responsibilities. We identify major risks that hinder the achievement of objectives and control them within acceptable levels to ensure the achievement of business objectives, the improvement of operational efficiency, the reliability of financial reports and compliance with national regulations and other compliance requirements. We evaluate and check the effectiveness of our risk management and internal control systems through channels such as the management, business units in the risk management system, audit and inspection teams of the Group, external auditors, and external legal advisor to improve risk response measures.

The Board has reviewed the risk management and internal monitoring. The results of the Company's risk management and internal control during the Reporting Period show that the Company does not have any major risk monitoring errors, nor does it find any major risk monitoring weaknesses. The Company is not aware of any material uncertainties relating to events or conditions that may cast significant doubt upon the Company's ability to continue as a going concern. The Board considers that the risk management and internal control systems of the Group are effective and adequate.

COMMUNICATIONS WITH SHAREHOLDERS AND INVESTORS

The Company recognises the importance of the communication with Shareholders. The Company has established a Shareholders' communication policy and the Board shall review it on a regular basis to ensure its effectiveness. The Company communicates with the Shareholders and/or potential investors mainly in the following ways: (i) the holding of annual general meeting and extraordinary general meetings, if any, which may be convened for specific purposes which provide opportunities for the Shareholders to communicate directly to the Board; (ii) the publication of announcements, annual reports, interim reports and/or circulars as required under the Listing Rules and press release providing updated information of the Group; (iii) the availability of latest information of the Group on the Company's website at www.imotion.ai; (iv) the holding of press conference(s) from time to time; and (v) meeting with investors and analysts on a regular basis and participate investor road show and sector conference. Shareholders and investors are welcome to visit the Company's website to raise enquiries through the contact details available on the Company's website.

The Company has reviewed the implementation and effectiveness of the Shareholders' communication policy, including the multiple communication channels for Shareholders in place and the steps taken to handle Shareholders' enquiries (if any), and considered that the Shareholders communication policy has been properly implemented and effective.



Corporate Governance Report

RIGHTS OF SHAREHOLDERS

Convening an extraordinary general meeting

According to Article 53 of the Articles of Association, any Shareholders individually or jointly holding more than 10% of the shares of the Company are entitled to request in writing the Board to convene an extraordinary general meeting. The Board shall, in accordance with the laws, administrative regulations, the Listing Rules, other securities regulatory rules of the place where the shares of the Company are listed and the Articles of Association, furnish a written reply to such Shareholder(s) stating its agreement or disagreement to the convening of the extraordinary general meeting within 10 days after having received such requisition.

If the Board agrees to convene an extraordinary general meeting, a notice of convening such extraordinary general meeting shall be issued within 5 days after the Board resolution is passed. Any changes to the original request in the notice shall be subject to the consent of the relevant Shareholders. If the Board disagrees to convene such extraordinary general meeting, or fails to provide any reply within 10 days after receiving the request, in which case Shareholder(s) individually or jointly holding more than 10% of the shares of the Company may propose in writing the board of Supervisors to convene the extraordinary general meeting.

If the board of Supervisors agrees to convene such extraordinary general meeting, a notice for convening such meeting shall be given within 5 days after having received such request. Any changes to the original proposal in the notice shall be subject to the consent of the relevant Shareholders in case. If the board of Supervisors fails to serve a notice of such meeting within the prescribed time limit, the board of Supervisors is deemed not to convene and preside over such meeting, in which case, the Shareholders individually or jointly holding more than 10% of the shares of the Company for more than 90 consecutive days may convene and preside over the such a meeting on their own.

Putting forth proposals at the general meetings

According to Article 58 of the Articles of Association, the Board, the board of Supervisors, and any Shareholders individually or jointly holding more than 1% of the shares of the Company have the right to propose to the Company at a general meeting.

The Shareholders individually or jointly holding more than 1% of the shares of the Company may submit written provisional proposals to the convener 10 days before the general meeting. The convener shall serve a supplemental notice of the general meeting within 2 days after receipt of the provisional proposals and notify the contents of the said provisional proposals. Save as specified in the Articles of Association, the convener shall not change the proposals set out in the notice of the general meeting or add any new proposal after the said notice is served.

For details of the procedures for nominating candidates of Directors by shareholders, please refer to the website of the Company.



Corporate Governance Report

Putting forward enquiries to the Board

Specific enquiries or suggestions by Shareholders can be sent in writing to the Board or by e-mail to the Company. The Company will not normally deal with verbal or anonymous enquiries.

Contact Details

Shareholders may send their enquiries as mentioned above to the following:

Address: No. 28 Yingqian Road, Suzhou Industrial Park, Suzhou, Jiangsu Province, PRC
(For the attention of the Board)
Email: investor@imotion.ai

For the avoidance of doubt, Shareholder(s) must deposit and send the original duly signed written requisition, notice or statement, or enquiry (as the case may be) to the above address and provide their full name, contact details and identification in order to give effect thereto. Shareholders' information may be disclosed as required by law and relevant Listing Rules.

CONSTITUTIONAL DOCUMENTS

During the Reporting Period, the Articles of Associations were amended as a result of the relevant regulations of the Company Law of the People's Republic of China and in combination with the actual situation of the Company. For details, please refer to the announcements of the Company dated March 26, 2025, June 20, 2025, October 30, 2025, November 14, 2025 and the circular of the Company dated May 29, 2025 and October 30, 2025.

Save as disclosed above, there was no other changes in the Company's constitutional documents during the Reporting Period.

DIVIDEND POLICY

The Company attaches great importance to the reasonable investment return to its Shareholders, and profit distribution should follow the principles of valuing the reasonable investment return to Shareholders and promoting the long-term development of the Company. The Company's profit distribution policy should maintain continuity and stability, and comply with relevant laws and regulations. The Company can distribute dividends in cash or stock. Subject to our Articles of Association and the PRC Company Law, the declaration and payment of any dividends will be determined by our Board and will be subject to the approval of the general meeting. A decision to declare or to pay any dividends will depend on a number of factors, including our earnings and financial condition, operating requirements, capital requirements and any other conditions that our Directors may deem relevant. The Company does not have any pre-determined dividend payout ratio.



Report of the Directors

The Board is pleased to present this annual report together with the audited consolidated financial statements of the Group for the year ended December 31, 2025 (the “**Financial Statements**”).

PRINCIPAL ACTIVITIES

The Group is an advanced driver assistance solution provider in China with a focus on ADAS domain controllers. Our advanced driver assistance domain controller (ADAS domain controller) solutions typically include (i) ADAS domain controller; (ii) associated sensors, which we procure from third-party suppliers and integrate into our solutions; (iii) integrated software, algorithms and functions; and (iv) relevant services such as sensor implementation, vehicle systems integration, and function testing and validation.

BUSINESS REVIEW

Analysis on Results and Financial Key Performance Indicators

The Group’s profits for the year ended December 31, 2025 and the financial position of the Company and the Group as at December 31, 2025 are set out in the Financial Statements on pages 120 to 124 of this annual report.

A review of the Company’s business, a discussion and analysis of the Group’s performance during the Year, an analysis of using financial key performance indicators and the future development of the Company’s business are set out in the sections headed “Financial Highlights”, “Chairman’s Statement” and “Management Discussion and Analysis” of this annual report. These discussions form part of the Report of the Directors.

Environmental Policies and Performance

We are subject to various environmental laws and regulations including the Environmental Protection Law of the PRC and the Environmental Impact Assessment Law of the PRC, and regulations and the regulations related to governing pollutant discharge, the handling, use, storage, treatment and disposal of hazardous materials, drainage and wastes discharge of stationary pollution sources.

We are dedicated to reducing environmental impact throughout the production process. We implement various environmental protection measures, including installation of activated carbon adsorption devices to appropriately collect and dispose of manufacturing waste. We work with qualified third-party waste disposal service providers for other waste, including waste filters, waste activated carbon, waste oil and waste catalysts, among others.

Apart from complying with local statutory requirements, we are also committed to continuously enhancing our environmental and energy management systems that are certified to international standards ISO 14001: 2015. The effective guidelines and workflow of the said management systems are detailed in the Environmental Management Manual, which is clearly communicated to the employees and effectively implemented in order to improve its environmental practices and energy efficiency. We annually review the abovementioned manual, and will inform our employees at all levels if there is any revision to the manual.



Report of the Directors

For details on the environment and social practices adopted by the Company, please refer to the Environmental, Social and Governance Report contained in this annual report.

Compliance with Laws and Regulations

During the year ended December 31, 2025, as far as the Board is aware, the Group has complied with the relevant laws and regulations that have a significant impact on the Group in all material respects and there was no material breach of, or non-compliance with, applicable laws and regulations by the Group.

PRINCIPAL RISKS AND UNCERTAINTIES

The following section includes the most significant factors that we believe may adversely affect our business and operations. Investors should carefully consider the risks and uncertainties described below and all information in this annual report, including our financial statements and the related notes and the section headed “Management Discussion and Analysis” in this annual report before deciding to invest in our H Shares. Additional risks and uncertainties not presently known to us or that we currently deem immaterial also may impair our business operations.

We are of the view that the principal risks we may face in the future include: We are subject to concentration risk of deriving a substantial portion of revenue from our sales to Geely Group and from SuperVision™ based on the base version of ADAS domain controllers supplied by Mobileye and the loss of, or a significant reduction in, revenue from such customers or products could materially and adversely affect our results of operations.

For the three financial years ended December 31, 2024, Geely Group had always been our largest customer who brought revenue to us was RMB1,277.5 million, RMB1,135.1 million, and RMB1,043.90 million, respectively, which accounted for 96.4%, 93.3% and 83.7% of our total revenue during the same period. During the Reporting Period, Geely Group was still our largest customer. In 2025, our revenue from Geely Group was RMB610.30 million, accounting for 61.0% of our total revenue in 2025, among which, the revenue from sales of SuperVision™ to Geely Group amounted to RMB561.05 million. As we rely on Mobileye for the supplies of the base version of ADAS domain controllers and licensed software used in SuperVision™, where we are responsible for vehicle integration, testing and validation as a system integrator, in the event that Mobileye ceases supplies, our revenue generated from SuperVision™, including those from Geely Group, would be entirely lost. Moreover, we cannot guarantee that (i) Mobileye will continue supplying the base version of ADAS domain controllers used in SuperVision™ and other products to us, (ii) Mobileye will continue to refrain from direct collaboration with Geely Group, (iii) Geely Group and Mobileye will not engage with other Tier-1 suppliers, or (iv) Geely Group will not substitute SuperVision™ with its internally developed advanced driver assistance solutions. Since a substantial portion of our revenue during the past over years stemmed from SuperVision™ sales to Geely Group, the occurrence of any of these events would result in the loss of a crucial revenue stream, which could have a significant and adverse impact on our financial position and results of operations.

The market for advanced driver assistance products and customers’ needs and preferences are rapidly evolving. We, as well as many of our competitors, are constantly upgrading existing solutions and products and rolling out new solutions and products with higher performance and better quality. To the extent any of our major solutions or products loses its appeal to customers and in turn its market share, whether due to competition from our competitors’ solutions and products or our own alternative solutions and products or lower overall demand for advanced driver assistance solutions and products, among other things, our business and results of operations could be materially and adversely affected.



Report of the Directors

We are an early-stage company with a history of losses; we may continue to incur significant expenses and losses in 2025 and beyond; our historical financial and results of operations may not be indicative of our future performance.

We are an advanced driver assistance solution provider in China with a focus on ADAS domain controllers. We focus on developing advanced driver assistance solutions and products for our customers. We recorded net losses of RMB195.1 million, RMB288.3 million and RMB416.5 million in 2023, 2024 and 2025, respectively.

We may continue to incur significant expenses and losses in 2025 and beyond. Our revenue, costs, expenses and results of operations may vary from period to period in response to a variety of factors beyond our control, including general economic conditions, special events, government regulations or policies affecting our operation and our ability to control costs and expenses. Our potential profitability is dependent upon a variety of factors, including the continued increase in customer needs for our solutions and products, our success in competing against other participants in the markets in which we operate, and macroeconomic and regulatory environment. Our revenue may not grow sufficiently to offset the increase in our costs and expenses as we plan to:

- continue to invest in the research and development of our solutions and products;
- expand our production capabilities to produce our solutions and products;
- expand our design, development, validation and servicing capabilities;
- recruit additional engineers and other talents to support our business expansion; and
- increase our sales and marketing activities and build up our sales and marketing team.

Further, because we have limited historical financial data and operate in a rapidly evolving market, any predictions about our future revenue and expenses may not be as accurate as they would be if we had a longer operating history or operated in a more predictable market. We have encountered in the past, and will encounter in the future, risks and uncertainties frequently experienced by growing companies with limited operating histories in rapidly changing industries. If our assumptions regarding these risks and uncertainties, which we use to plan and operate our business, are incorrect or change, or if we do not address these risks successfully, our results of operations could differ materially from our expectations and our business, financial condition and results of operations could be adversely affected.

We rely on third-party suppliers, including, in particular Mobileye in relation to SuperVision™, and because some of the raw materials and key components in our products come from single or limited source of suppliers, we are susceptible to supply shortages, long lead times for components, supply changes, and changes in business relationship, any of which could disrupt our supply chain and could delay deliveries of our products to customers.



Report of the Directors

We rely on certain major suppliers, including, in particular Mobileye in relation to SuperVision™ to provide us with raw materials and some of the components of our products. In light of our limited source of suppliers, we are therefore subject to the risk of shortages and long lead times in the supply of components that come from limited source of suppliers and the risk that our suppliers discontinue or modify components used in its products. We have a global supply chain, and the health epidemics and outbreaks may adversely affect our ability to source components in a timely or cost-effective manner from our third-party suppliers due to, among other things, work stoppages or interruptions. Further, the lead times associated with certain components are lengthy and preclude rapid changes in quantities and delivery schedules. Some of our chip suppliers may apply a non-cancellable non-refundable policy to their products or require us to provide binding forecasts of our procurement. We have in the past experienced and may in the future experience component shortages and price fluctuations of certain key components and materials, and the predictability of the availability and pricing of these components may be limited. For example, from mid 2025, an industry supply demand imbalance led to a significant and widespread increase in memory chip prices. Component shortages or pricing fluctuations could be material in the future. In the event of a component shortage, supply interruption or material pricing change from suppliers of these components, we may not be able to develop alternate sources in a timely manner or at all in the case of sole or limited sources. Developing alternate sources of supply for these components may be time-consuming, difficult, and costly and we may not be able to source these components on terms that are acceptable to us, or at all, which may undermine our ability to meet our requirements or to fill customer orders in a timely manner or may have a material adverse effect on our profitability.

There is no guarantee that our OEM customers or OEM end customers will purchase our solutions and products in any certain quantity or at any certain price even after we obtain the letter of nomination, and there may be significant delays between the time we obtain the letter of nomination until we realize revenue from the vehicle model.

We generally do not have contracts with OEM customers that require them to purchase our solutions and products in any certain quantity or at any certain price, and our sales could be less than we forecast if a vehicle model for which we obtain the letter of nomination is unsuccessful, including for reasons unrelated to our solutions and products, if an OEM (or in respect of certain vehicle models, an affiliate of the relevant OEM) decides to discontinue or reduce production of a vehicle model or the use of our solutions and products in a vehicle model, or if we face downward pricing pressure. However, the letters of nomination provide no certainty of finalization of contract and may be terminated by customers. We cannot guarantee that our customers will purchase our solutions and products in large quantities or at all and at a price that will be profitable to us even having entered into a letter of nomination.

Furthermore, our solutions and products are technologically complex, incorporated with many technological innovations, and are typically subject to significant safety testing, and OEMs are generally required to make significant commitments of resources to test and validate our solutions and products before including them in any particular vehicle model. The average industry duration of the development cycles of advanced driver assistance solutions and products is 12 to 18 months after receiving the OEM's letter of nomination depending on the OEMs and the complexity of the solution and products. These development cycles result in our investment of resources prior to realizing any revenue from a vehicle model. Although during the past years, we were able to fully recover the contract fulfillment costs incurred for terminated projects, there is no guarantee that we will be able to fully recover the contract fulfillment costs in the future in case of any terminated projects.



Report of the Directors

Changes in international relationships and trade policies may adversely impact our business, financial condition, and results of operations.

Although we are primarily a China-based company, some of our suppliers are located in the U.S. and other countries outside of China. In addition, certain of our technologies, such as technologies relating to advanced driver assistance solutions and applications, could be subject to restrictions by the U.S. government in the future. Therefore, government policies restricting international trade and investment, such as capital controls, economic or trade sanctions, export controls, tariffs or foreign investment filings and approvals, may affect the demand for our products and services, impact the competitive position of our products, or prevent us from being able to sell products in certain countries. Relationships between countries and regions could affect levels of trade, investment, technological exchange, and other economic activities across borders, which would have a material adverse effect on global economic conditions and the stability of global financial markets. Any of these factors could have a material adverse effect on our and our customers' business, prospects, financial condition, and results of operations. For example, under an executive order of the U.S. government, certain new investments from the U.S. in China and Chinese companies involving sensitive technologies such as certain microelectronics and artificial intelligence are prohibited, and government notification is mandated for certain other technology sectors. In addition, U.S. government may further tighten the export control rule to slow the flow of chips to China, and our business may be adversely affected as a result.

We are exposed to credit risk arising from our revenue concentration on certain customers, including Geely Group. Failure to collect our trade receivables in a timely manner or at all could have a material and adverse impact on our business, financial condition, liquidity and prospects.

Our cash flows and profitability are subject to the timely settlement of payments by our customers. We usually grant a credit period of 30 to 90 days to our customers and trade receivables are generally settled in accordance with the terms of the respective contracts. We cannot assure you that we will be able to collect all or any of our trade receivables or collect the amount for any unbilled work on time, or at all, after meeting the agreed program payment milestones. Our customers may face unexpected circumstances, including, but not limited to, financial difficulties caused by decreased sales of their vehicles. Our customers may delay or even default in their payment obligation. As a result, we may not be able to receive such customers' payment of uncollected debts in full, or at all, and we may need to make provisions for trade and notes receivables. The occurrence of such events would materially and adversely affect our financial condition and results of operations.

Developments in the political and economic policies, as well as the evolving laws, rules and regulations, may affect our business, financial condition, results of operations and prospects.

Due to our extensive operations in the PRC, our business, financial condition, results of operations and prospects are affected by economic, political, and legal developments in the PRC. The overall economic growth is influenced by the governmental regulations and policies in relation to resource allocation, monetary policies, regulations of financial services and institutions, preferential treatment to particular industries or companies and others. Any of the foregoing may affect our business, financial condition, results of operations and prospects. Laws, rules and regulations in relation to economic matters are promulgated from time to time, including those related to such as foreign investment, corporate organization and governance, commerce, taxation, finance, foreign exchange and trade, so as to develop a comprehensive system of commercial law. In addition, the interpretation and implementation of the laws and regulations relating to the advanced driver assistance industry also evolve from time to time.



Report of the Directors

We operate in a highly competitive market.

We face competition from third-party advanced driver assistance solution suppliers, and challenges arising from in-house R&D teams of automakers. In recent years, some automakers have continued to invest in independent research and development of advanced driver assistance, resulting in certain competition with external third-party suppliers. Our certain domestic versions of SuperVision™ based on the advanced driver assistance domain controller provided by Mobileye, targeting to supply for ZEEKR001 models, have experienced a decline in revenue in 2024 and 2025 due to the impact brought by the independent research and development of automakers. If some automakers and models adopt in-house advanced driver assistance solutions in the future, the Company may suffer loss on its revenue and profits.

KEY RELATIONSHIPS WITH EMPLOYEES, CUSTOMERS AND SUPPLIERS

The Group believes that it is vital to attract, recruit and retain quality employees. Being people-oriented, our Group ensures all employees are reasonably remunerated and also continues to improve and regularly review and update its policies on remuneration and benefits, training, occupational health and safety.

The Group attaches great importance to maintaining good relationships with customers, values all customers' opinions and views, and understands customers' needs through different methods and channels to ensure the provision of quality products and services to customers.

We strive to establish long-term, reliable and mutually beneficial cooperative relationship with our suppliers. We continuously optimizes the supplier management, guarantees the safety and stability of suppliers, integrates sustainable development factors into the whole process of supplier management, and formulates relevant procedures to help the sustainable development of suppliers.

Details of an account of the Company's key relationships with its employees, customers, suppliers and others that have a significant impact on the Company is set out in the Environmental, Social and Governance Report contained in this annual report.

ANNUAL GENERAL MEETING AND CLOSURE OF REGISTER OF MEMBERS

The annual general meeting of the Company will be held on Thursday, June 18, 2026 ("AGM") and the notice thereof will be available to the Shareholders in a manner as required by the Listing Rules and the Articles of Association. In order to determine Shareholders' entitlement to attend and vote at the AGM, the register of members of the Company will be closed from Monday, June 15, 2026 to Thursday, June 18, 2026 (both days inclusive). In order to be entitled to attend and vote at the AGM, unregistered holders of shares of the Company should ensure that all the share transfer documents together with the relevant share certificates are lodged with the Company's Hong Kong share registrar, Computershare Hong Kong Investor Services Limited, at Shops 1712-1716, 17/F, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong no later than 4:30 p.m. on Friday, June 12, 2026.

FINAL DIVIDEND

The Board does not recommend the payment of a final dividend for the year ended December 31, 2025. (2024: Nil)



Report of the Directors

PROPERTY, PLANT AND EQUIPMENT

Details of changes in the property, plant and equipment of the Group during the year are set out in Note 14 to the Financial Statements.

SHARE CAPITAL

Details of the Company's share capital are set out in Note 23 to the Financial Statements.

USE OF PROCEEDS FROM THE GLOBAL OFFERING

On December 20, 2023, the H Shares of the Company were listed on the Main Board of the Stock Exchange with 22,116,000 Offer Shares under the Global Offering, comprising the Hong Kong Public Offering of 2,211,600 Hong Kong Offer Shares and the International Offering of 19,904,400 International Offer Shares at a nominal value of RMB1.00 per H Share. Offer Shares were issued to and subscribed by Hong Kong and overseas investors through the Global Offering at the Offer Price of HK\$29.65 per H Share (excluding brokerage fee of 1.0%, SFC transaction levy of 0.0027%, Stock Exchange trading fee of 0.00565% and AFRC transaction levy of 0.00015%).

The net proceeds from the global offering of the H Shares (the “**Global Offering**”), after deduction of the underwriting commission, fees and estimated expenses in connection with the Global Offering and other expenses, were approximately RMB575.83 million (equivalent to approximately HK\$595.23 million).

As at December 31, 2025, all net proceeds from the Global Offering had been fully utilized in accordance with the intended purposes and the same portion as stated in the Prospectus of the Company dated December 12, 2023.

PREVIOUS PLACINGS OF H SHARES UNDER GENERAL MANDATE

(I) 2024 Placing

On November 25, 2024, the Company entered into a placing agreement (the “**2024 Placing Agreement**”) with Guotai Junan Securities (Hong Kong) Limited (as the placing agent). Pursuant to the 2024 Placing Agreement, the placing agent has conditionally agreed to procure, on a best effort basis, not less than six placees who are professional, institutional and/or other investors and who were independent of, and not connected with the Company and its connected persons, to purchase up to an aggregate of 4,427,000 new H Shares (the “**2024 Placing Shares**”) at the placing price of HK\$17.58 per 2024 Placing Share, exclusive of applicable brokerage, trading fees, transaction fees and levies (the “**2024 Placing**”). On December 2, 2024, the Company completed the allotment and issue of the 2024 Placing Shares under general mandate to not less than six placees pursuant to the 2024 Placing Agreement. The net proceeds from the 2024 Placing (after deducting all fees, costs and expenses incurred by the Company in connection with the placing including the commission and levies) amount to approximately HK\$73.28 million. The net proceeds from the placing are intended to be used by the Group for (i) enhancing R&D of the advanced intelligent driving and automated driving and cockpit integrated solutions and products; (ii) capital expenditure in relation to enhancing the R&D and manufacturing facilities; (iii) expanding the overseas sales and service network; and (iv) working capital and general corporate purposes.



Report of the Directors

For further details of the 2024 Placing, please refer to the Company's announcements dated November 25, 2024 and December 2, 2024.

The following table sets forth the Company's use of the proceeds from the 2024 Placing and the planned timetable as at December 31, 2025:

	Approximate percentage of the total net proceeds	Net proceeds from the Global Offering <i>(HKD million)</i>	Unutilised net proceeds as of January 1, 2025 <i>(HKD million)</i>	Actual use of proceeds during the Reporting Period <i>(HKD million)</i>	Unutilised net proceeds as of December 31, 2025 <i>(HKD million)</i>	Expected time to utilize the remaining net proceeds in full
Enhancing R&D of the advanced intelligent driving and automated driving and cockpit integrated solutions and products	40.0%	29.31	8.26	8.26	–	Fully utilized
Capital expenditure in relation to our R&D headquarters, manufacturing premises and new production lines	20.0%	14.66	–	–	–	Fully utilized
Expanding our sales and service network	20.0%	14.66	12.36	2.50	9.86	By the end of the year 2026
Working capital and general corporate purposes	20.0%	14.66	5.31	5.31	–	Fully utilized
Total ^(Note)	100.0%	73.28	25.93	16.07	9.86	

Note: Any discrepancies in the above table between the total shown and the sum of the amounts listed are due to rounding.



Report of the Directors

As at December 31, 2025, the unutilized net proceeds from the 2024 Placing amounted to approximately HK\$9.86 million, and the Group will utilize the net proceeds in accordance with the intended purposes and the same portion as stated in the Company's announcement dated December 2, 2024. In order to enhance overall operational efficiency and the level of capital returns, the Group has been proactively strengthening the sharing and reusability of domestic and international resources and adopting a prudent approach towards overseas investments. As a result, there has been a delay in the expected timetable table of utilizing the net proceeds for expanding our sales and service network. Save as the change of the expected timetable to utilize the net proceeds for expanding our sales and service network, the net proceeds for other intended purposes had been fully utilized in light of the expected timetable and portion as disclosed in the 2024 Annual Report. The expected timeline is based on the best estimation of future market conditions and business operations made by the Company currently, and will be subject to change based on future development of market conditions and actual business needs. Should there be any change in the intended use of the unutilized net proceeds, the Company will make appropriate announcement(s) in due course.

(II) 2025 February Placing

On February 8, 2025, the Company entered into a placing agreement (the “**2025 February Placing Agreement**”) with Guotai Junan Securities (Hong Kong) Limited (as the placing agent). Pursuant to the 2025 February Placing Agreement, the placing agent has conditionally agreed to procure, on a best effort basis, not less than six placees who are individual, professional, institutional and/or other investors and who together with respective ultimate beneficial owners were independent of, and not connected with the Company and its connected persons, to purchase up to an aggregate of 11,190,200 new H Shares (the “**2025 February Placing Shares**”) at the placing price of HK\$20.88 per 2025 February Placing Share, exclusive of applicable brokerage, trading fees, transaction fees and levies (the “**2025 February Placing**”). The placing price of HK\$20.88 per 2025 February Placing Share represented (i) a discount of approximately 13.00% to the closing price of HK\$24.00 per H Share as quoted on the Stock Exchange on February 7, 2025, being the last trading day immediately prior to the date of the 2025 February Placing Agreement; (ii) a premium of approximately 8.86% to the average closing price of HK\$19.18 per H Share as quoted on the Stock Exchange for the last five consecutive trading days immediately prior to the date of the 2025 February Placing Agreement; and (iii) a premium of approximately 30.99% to the average closing price of HK\$15.94 per H Share as quoted on the Stock Exchange for the last 20 consecutive trading days immediately prior to the date of the 2025 February Placing Agreement.

The aggregate nominal value of the 2025 February Placing Shares was HK\$11,190,200 based on a nominal value of RMB1.00 per 2025 February Placing Share. The net placing price per share was approximately HKD20.41, after deducting relevant expenses. The 2025 February Placing will further provide financial assurance for the Group's continued robust development and meet the Group's needs to advance its AI large model-driven autonomous driving technology.

On February 17, 2025, the Company completed the allotment and issue of the 2025 February Placing Shares under general mandate to not less than six placees pursuant to the 2025 February Placing Agreement. The net proceeds from the placing (after deducting all fees, costs and expenses incurred by the Company in connection with the placing including the commission and levies) amount to approximately HK\$228.37 million. The net proceeds from the placing are intended to be used by the Group for (i) enhancing R&D of the advanced intelligent driving and automated driving and cockpit integrated solutions and products; (ii) capital expenditure in relation to enhancing the R&D and manufacturing facilities; (iii) expanding the overseas sales and service network; and (iv) working capital and general corporate purposes.



Report of the Directors

For further details of the 2025 February Placing, please refer to the Company's announcements dated February 9, 2025 and February 17, 2025.

The following table sets forth the Company's use of the proceeds from the 2025 February Placing and the planned timetable as at December 31, 2025:

	Approximate percentage of the total net proceeds	Net proceeds from the 2025 February Placing (HKD million)	Actual use of proceeds during the Reporting Period (HKD million)	Unutilised net proceeds as of December 31, 2025 (HKD million)	Expected time to utilize the remaining net proceeds in full
Enhancing R&D of the advanced intelligent driving and automated driving and cockpit integrated solutions and products	60.0%	137.02	137.02	–	Fully utilized
Capital expenditure in relation to enhancing the R&D and manufacturing facilities	10.0%	22.84	22.84	–	Fully utilized
Expanding the overseas sales and service network	5.0%	11.42	–	11.42	By the end of the year 2026
Working capital and general corporate purposes	25.0%	57.09	57.09	–	Fully utilized
Total <i>(Note)</i>	100.0%	228.37	216.95	11.42	

Note: Any discrepancies in the above table between the total shown and the sum of the amounts listed are due to rounding.

As at December 31, 2025, the unutilized net proceeds from the 2025 February Placing amounted to approximately HK\$11.42 million, and the Group will utilize the net proceeds in accordance with the intended purposes and the same portion as stated in the Company's announcement dated February 17, 2025. The expected timeline is based on the best estimation of future market conditions and business operations made by the Company currently, and will be subject to change based on future development of market conditions and actual business needs. Should there be any change in the intended use of the unutilized net proceeds, the Company will make appropriate announcement(s) in due course.



Report of the Directors

(III) 2025 July Placing

On July 12, 2025, the Company entered into a placing agreement (the “**2025 July Placing Agreement**”) with Macquarie Capital Limited and CCB International Capital Limited (as the placing agents). Pursuant to the 2025 July Placing Agreement, the placing agent has conditionally agreed to procure, on a best effort basis, not less than six placees who, together with respective ultimate beneficial owners were independent of, and not connected with the Company and its connected persons, to purchase up to an aggregate of 15,495,000 new H Shares (the “**2025 July Placing Shares**”) at the placing price of HK\$15.22 per 2025 July Placing Share, exclusive of applicable brokerage, trading fees, transaction fees and levies (the “**2025 July Placing**”). The placing price of HK\$15.22 per 2025 July Placing Share represented (i) a discount of approximately 8.97% to the closing price of HK\$16.72 per H Share as quoted on the Stock Exchange on July 11, 2025, being the last trading day immediately prior to the date of the 2025 July Placing Agreement; (ii) a premium of approximately 0.21% to the average closing price of HK\$15.188 per H Share as quoted on the Stock Exchange for the last five consecutive trading days immediately prior to the date of the 2025 July Placing Agreement; and (iii) a premium of approximately 10.24% to the average closing price of HK\$13.806 per H Share as quoted on the Stock Exchange for the last 20 consecutive trading days immediately prior to the date of the 2025 July Placing Agreement.

The aggregate nominal value of the 2025 July Placing Shares was HK\$15,495,000 based on a nominal value of RMB1.00 per 2025 July Placing Share. The net placing price per share was approximately HKD14.89, after deducting relevant expenses. The 2025 July Placing will further provide financial assurance for the Group’s continued robust development and meet the Group’s needs to advance its AI large model-driven autonomous driving technology.

On July 21, 2025, the Company completed the allotment and issue of the 2025 July Placing Shares under general mandate to not less than six placees pursuant to the 2025 July Placing Agreement. The net proceeds from the placing (after deducting all fees, costs and expenses incurred by the Company in connection with the placing including the commission and levies) amount to approximately HK\$230.7 million. The net proceeds from the placing are intended to be used by the Group for (i) enhancing R&D of the advanced intelligent driving and automated driving and cockpit integrated solutions and products; (ii) capital expenditure in relation to enhancing the R&D and manufacturing facilities; (iii) R&D, mergers and acquisitions of the Company’s robotics business; and (iv) working capital and general corporate purposes.

For further details of the 2025 July Placing, please refer to the Company’s announcements dated July 13, 2025 and July 21, 2025.



Report of the Directors

The following table sets forth the Company's use of the proceeds from the 2025 July Placing and the planned timetable as at December 31, 2025:

	Approximate percentage of the total net proceeds	Net proceeds from the 2025 July Placing (HKD million)	Actual use of proceeds during the Reporting Period (HKD million)	Unutilised net proceeds as of December 31, 2025 (HKD million)	Expected time to utilize the remaining net proceeds in full
Enhancing R&D of the advanced intelligent driving and automated driving and cockpit integrated solutions and products	50.0%	115.35	75.00	40.35	By the end of the year 2026
Capital expenditure in relation to enhancing the R&D and manufacturing facilities	10.0%	23.07	23.07	–	Fully utilized
R&D, mergers and acquisitions of the Company's robotics business	15.0%	34.61	16.13	18.48	By the end of the year 2026
Working capital and general corporate purposes	25.0%	57.68	57.68	–	Fully utilized
Total <i>(Note)</i>	100.0%	230.70	171.87	58.83	

Note: Any discrepancies in the above table between the total shown and the sum of the amounts listed are due to rounding.

As at December 31, 2025, the unutilized net proceeds from the 2025 July Placing amounted to approximately HK\$ 58.83 million, and the Group will utilize the net proceeds in accordance with the intended purposes and the same portion as stated in the Company's announcement dated July 13, 2025. The expected timeline is based on the best estimation of future market conditions and business operations made by the Company currently, and will be subject to change based on future development of market conditions and actual business needs. Should there be any change in the intended use of the unutilized net proceeds, the Company will make appropriate announcement(s) in due course.

RESERVES AND DISTRIBUTABLE RESERVES

Details of the reserves are set out in Note 24 to the Financial Statements. As at December 31, 2025, the Company did not have any distributable reserve.



Report of the Directors

PRE-EMPTIVE RIGHTS

Under the Articles of Association and the PRC laws, there is no pre-emptive right which requires the Company to offer new shares to its existing shareholders on a pro rata basis.

TAX RELIEF AND EXEMPTION

The Directors are not aware of any tax relief and exemption available to the Shareholders by reason of their holding of the Company's securities.

PURCHASE, REDEMPTION OR SALE OF LISTED SECURITIES

During the Reporting Period, save for (i) the 4,433,600 H Shares purchased by the trustee of the first H Share award and trust scheme on the Stock Exchange at the total consideration of HK\$46.98 million pursuant to the terms of the trust deed under such scheme; and (ii) an aggregate of 774,200 H Shares repurchased by the Company on December 29, 30 and 31, 2025, neither the Company, nor any of its subsidiaries has purchased, sold or redeemed any of the Company's listed securities (including sale or transfer of treasury shares).

As at December 31, 2025, the Company held 774,200 treasury shares.

MAJOR CUSTOMERS AND SUPPLIERS

Our customers primarily consist of OEMs that install our advanced driver assistance solutions and products on their vehicles. Substantially all of our revenue is generated within the PRC. For the year ended December 31, 2025, our revenue generated from the five largest customers in aggregate accounted for 92.4% of our total revenue, and revenue generated from our largest customer accounted for 61.0% of our total revenue.

Our suppliers primarily consist of raw materials and components suppliers, including suppliers for automotive-grade chips, mechanical parts, optical components, and electrical parts. For the year ended December 31, 2025, purchases from our five largest suppliers in aggregate accounted for 53.2% of our total purchases, and purchases from our largest supplier accounted for 25.8% of our total purchases.

During the Reporting Period, so far as the Directors are aware, none of the Directors, their close associates or the Shareholders (which to the knowledge of the Directors owned more than 5% of total number of issued shares of the Company) had any interest in the five largest suppliers or customers of the Company during the year.

BANK LOANS AND OTHER BORROWINGS

Details of bank loans and other borrowings of the Company and its subsidiaries as at December 31, 2025 are set out in Note 28 to the Financial Statements.



Report of the Directors

DIRECTORS

The Directors during the Reporting Period and up to the date of this annual report were as follows:

Executive Directors

Mr. SONG Yang
 Mr. LU Yukun
 Ms. JIANG Jingfang (appointed on June 20, 2025)
 Ms. LIU Fang (appointed on June 20, 2025)
 Mr. LI Shuangjiang (resigned on November 14, 2025)

Non-executive Directors

Mr. LI Chengsheng (resigned on April 11, 2025)
 Mr. YANG Yuankui (resigned on April 25, 2025)
 Mr. TAO Zhixin (resigned on May 2, 2025)

Independent Non-executive Directors

Dr. ZHANG Weigong
 Ms. XUE, Rui Shirley
 Mr. LIU Yong (resigned on January 15, 2026)

SUPERVISORS

Mr. ZHU Qinghua
 Mr. WANG Bingjie
 Ms. GAO Liyun (appointed on May 9, 2025)
 Mr. LUO Hong (resigned on May 9, 2025)

BIOGRAPHIES OF THE DIRECTORS, SUPERVISORS AND THE SENIOR MANAGEMENT

Biographical details of the Directors, Supervisors and the senior management are set out on pages 31 to 35 of this annual report.

CHANGES TO INFORMATION IN RESPECT OF DIRECTORS AND SUPERVISORS

Save as disclosed in the section headed “Directors, Supervisors and Senior Management and Company Secretaries” in this annual report, there was no change to any of the information required to be disclosed in relation to any Director and Supervisors pursuant to paragraphs (a) to (e) and (g) of Rule 13.51(2) of the Listing Rules.

SERVICE CONTRACTS WITH DIRECTORS AND SUPERVISORS

Each of the Directors and Supervisors has entered into a service contract or letter of appointment with the Company. The principal particulars of these service agreements are: (a) each of the agreements is for a term of three years following their respective appointment date; and (b) each of the agreements is subject to termination in accordance with their respective terms. The service agreements may be renewed in accordance with our Articles of Association and the applicable rules.

Save as disclosed above, the Company has not entered, and does not propose to enter, into any service contracts with any of the Directors or Supervisors in their respective capacities as Directors or Supervisors (other than contracts expiring or determinable by the employer within one year without the payment of compensation (other than statutory compensation)).



Report of the Directors

REMUNERATION OF DIRECTORS AND SUPERVISORS

The compensation and remuneration of the Directors, Supervisors and members of the senior management of the Company are determined by the Shareholders' meetings and the Board as appropriate in the form of salaries and bonuses. The Company also reimburses them for expenses which are necessary and reasonably incurred in providing services to the Company or discharging their duties in relation to the operations of the Company. When reviewing and determining the specific remuneration packages for our Directors, Supervisors and members of the senior management of the Company, the Shareholders' meetings and the Board of Directors take into account factors such as salaries paid by comparable companies, time commitment, level of responsibilities, employment elsewhere in our Group and desirability of performance-based remuneration. As required by the relevant PRC laws and regulations, the Company also participates in various defined contribution plans organized by relevant provincial and municipal government authorities and welfare schemes for employees of the Company, including medical insurance, injury insurance, unemployment insurance, pension insurance, maternity insurance and housing provident fund. Our Company offers executive Directors and senior management members, who are our employees, compensation in the form of wages and salaries, discretionary bonuses, share-based payment, social security costs, housing benefits and employee welfare. The independent non-executive Directors receive compensation based on their responsibilities.

Save as disclosed above, no Director or Supervisor is entitled to receive other special benefits from the Company.

REMUNERATION OF THE FIVE HIGHEST PAID INDIVIDUALS

Details of remuneration of the five highest paid individuals of the Company are set out in Note 9 to the Financial Statements.

For the year ended December 31, 2025, no emoluments were paid by the Group to any Director, any Supervisor or any of the five highest paid individuals as an inducement to join or upon joining the Group or as compensation for loss of office. There was no arrangement under which a Director or a Supervisor waived or agreed to waive any remuneration during the year ended December 31, 2025.

PERMITTED INDEMNITY PROVISION

Subject to the relevant statutes, every Director shall be indemnified by the Company against all costs, charges, expenses, losses and liabilities which he/she may sustain or incur in or about the execution of his/her office or which may attach thereto. The Company has purchased insurance against the liabilities and costs associated with proceedings which may be against the Directors. The permitted indemnity provision is in force during the course of the financial year ended December 31, 2025 and remained in force as at the date of this annual report.

INTERESTS OF DIRECTORS AND SUPERVISORS IN COMPETING BUSINESS

During the Reporting Period, none of the Directors and Supervisors nor their associates has competing interests in any businesses which compete or are likely to compete, either directly or indirectly, with the businesses of the Company.



Report of the Directors

INTERESTS OF DIRECTORS AND SUPERVISORS IN TRANSACTIONS, ARRANGEMENTS OR CONTRACTS

The Directors and Supervisors have confirmed that other than the business of the Group, none of the Directors and Supervisors had a material interest, directly or indirectly, in any transaction, arrangement or contract of significance to the business of the Group to which the Company or any of its subsidiaries was a party during the Reporting Period.

DIRECTORS' AND SUPERVISORS' RIGHTS TO ACQUIRE SHARES OR DEBENTURES

Save as disclosed in the below sections headed "Equity Incentive Scheme", during the year ended December 31, 2025, there subsisted no arrangement to which the Company or any of its subsidiaries or its parent companies or its fellow subsidiaries was a party and the objectives of or one of the objectives of such arrangement are/is to enable the Directors and Supervisors, their respective spouse or children under the age of 18 to acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate.

DIRECTORS', SUPERVISORS' AND CHIEF EXECUTIVES' INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES

As at December 31, 2025, the interests and short positions of the Directors and Supervisors as well as the chief executives of the Company in the shares, underlying shares and debentures of the Company or associated corporations (within the meaning of Part XV of the SFO) which as recorded in the register required to be kept by the Company pursuant to Section 352 of the SFO, or which were required to be notified to the Company and the Stock Exchange pursuant to the Model Code, were as follows:

Name of Director	Capacity/Nature of interest	Class of Shares	Number of Shares ⁽¹⁾	Approximate percentage of shareholding in the total number of issued Shares of our Company ⁽²⁾
Mr. SONG Yang ⁽³⁾	Beneficial owner; Interest in controlled corporation	H Shares	58,781,087 (L)	22.84%
Mr. LU Yukun ⁽⁴⁾	Interest in controlled corporation	H Shares	14,555,520 (L)	5.65%
Ms. JIANG Jingfang	Trustee	H Shares	360,000 (L)	0.14%
Ms. LIU Fang	Other	H Shares	325,000 (L)	0.1%

Notes:

- The letter "L" denotes the person's long position in the Shares.
- The calculation is based on the total number of 257,442,540 Shares in issue as of December 31, 2025.
- Mr. SONG Yang is the general partner of each of Suzhou Zichi Management Consulting Partnership (L.P.) (蘇州紫馳管理諮詢合夥企業(有限合夥)) ("Zichi Platform"), Suzhou Hongchi Management Consulting Partnership (L.P.) (蘇州紅馳管理諮詢合夥企業(有限合夥)) ("Suzhou Hongchi") and Suzhou Luchi Management Consulting Partnership (L.P.) (蘇州綠馳管理諮詢合夥企業(有限合夥)) ("Suzhou Luchi"). Therefore, Mr. SONG Yang will be deemed to be interested in the Shares held by Zichi Platform, Suzhou Hongchi and Suzhou Luchi under the SFO.
- As at December 31, 2025, Suzhou Lanchi Management Consulting Partnership (L.P.) ("Lanchi Platform") was wholly-owned by Mr. LU Yukun as its general partner. Therefore, Mr. LU Yukun is deemed to be interested in Shares held by Lanchi Platform under the SFO.



Report of the Directors

Save as disclosed above, as at December 31, 2025, to the knowledge of the Board, none of the Directors, the Supervisors or chief executive of the Company had any interests or short positions in the Shares, underlying Shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which would have to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which the Directors and chief executives were deemed or taken to have under the provisions of the SFO), or which were required to be and are recorded in the register required to be kept by the Company pursuant to Section 352 of the SFO, or which were required to be notified to the Company and the Stock Exchange pursuant to the Model Code.

SUBSTANTIAL SHAREHOLDERS' INTERESTS AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES

As at December 31, 2025, the following entities/persons (other than the Directors, Supervisors or chief executives of the Company) had interests and short positions in the Shares or underlying Shares which would fall to be disclosed to the Company and the Stock Exchange pursuant to Divisions 2 and 3 of Part XV of the SFO, or are directly and indirectly interested in 5% or more of the nominal value of any class of the share capital carrying rights to vote in all circumstances at general meetings of the Company:

Name of Shareholder	Capacity/Nature of interest	Class of Shares	Number of Shares ⁽¹⁾	Approximate percentage of shareholding in the total number of Shares ⁽²⁾
Mixed Reform Fund ⁽³⁾	Beneficial owner	H Shares	18,412,760 (L)	7.15%
China Chengtong ⁽³⁾	Interest in controlled corporation	H Shares	18,412,760 (L)	7.15%
Lanchi Platform	Beneficial owner	H Shares	14,555,520 (L)	5.65%
Li Shuangjiang	Beneficial owner	H Shares	14,238,460 (L)	5.53%
HL Klemove Suzhou ⁽⁴⁾	Beneficial owner	H Shares	15,316,080 (L)	5.95%
HKL ⁽⁴⁾	Interest in controlled corporation	H Shares	15,316,080 (L)	5.95%
HL Mando ⁽⁴⁾	Interest in controlled corporation	H Shares	15,316,080 (L)	5.95%

Notes:

- The letter "L" denotes the person's long position in the Shares.
- The calculation is based on the total number of 257,442,540 Shares in issue as of December 31, 2025.
- China State-owned Enterprise Mixed Ownership Reform Fund Co., Ltd. (中國國有企業混合所有制改革基金有限公司) ("**Mixed Reform Fund**") is a state-owned fund approved by the State Council of the People's Republic of China. Mixed Reform Fund is held as to 34.23% by China Chengtong Holdings Group Co., Ltd. (中國誠通控股集團有限公司) ("**China Chengtong**"). Therefore, China Chengtong is deemed to be interested in the Shares held by Mixed Reform Fund under the SFO.
- HL Klemove Electronics (Suzhou) Co., Ltd. (漢拿科銳動電子(蘇州)有限公司) ("**HL Klemove Suzhou**") is wholly owned by HL Klemove Corp. ("**HKL**"), which is an affiliate of HL Mando Corporation ("**HL Mando**"), a company listed on the Korea Exchange (ticker symbol: 204320). Therefore, each of HKL and HL Mando is deemed to be interested in the Shares held by HL Klemove Suzhou under the SFO.



Report of the Directors

Save as disclosed above, as at December 31, 2025, no person, other than the Directors, Supervisors or chief executives of the Company whose interests are set out in the section headed “Directors’, Supervisors’ and Chief Executives’ Interests and Short Positions in Shares, Underlying Shares and Debentures” above, had registered an interest or a short position in the Shares or underlying Shares of the Company which would fall to be disclosed under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which were recorded in the register required to be kept by the Company under Section 336 of the SFO.

MANAGEMENT CONTRACTS

For the year ended December 31, 2025, no contracts concerning the management and administration of the whole or any substantial part of the business of the Group were entered into or existed.

EQUITY INCENTIVE SCHEME

Employee Incentive Scheme

The Group adopted an employee incentive scheme (the “**Employee Incentive Scheme**”) on April 25, 2019, which was further revised on December 24, 2021. Two employee incentive platforms, namely Lanchi Platform and Zichi Platform, were established by Mr. Song Yang to implement the Employee Incentive Scheme. The following is a summary of the principal terms of the Employee Incentive Scheme:

Purpose

The Employee Incentive Scheme was adopted for the purpose of establishing and improving long-term incentive mechanism of our Company, attracting and retaining high-end talents, fully mobilizing the enthusiasm of our Directors, senior management and other core employees.

Eligibility of participants

The participants include the core managerial and technical personnel of our Company or any of our subsidiaries, or other core employees who shall be deemed by the general meeting to have material influence on the operating performance and future development of our Company.

Shares available for issue

As all the incentive awards in the form of the existing Shares under the Employee Incentive Scheme had been granted and vested, the Shares available for issue under the Employee Incentive Scheme is nil as at the date of the annual report.

Total number of the underlying shares of the incentive awards

Participants shall be interested in a total of 24,248,960 Shares through holding the limited partnerships in the employee incentive platforms, the underlying Shares of which represents 9.45% of the share capital of our Company in issue as at December 31, 2025.

All incentive awards under the Employee Incentive Scheme had been granted and vested before the Listing Date.

Maximum entitlement of each participant

There is no limit on the entitlement of each participant under the Employee Incentive Scheme.



Report of the Directors

Vesting period

The Shares underlying the incentive awards granted shall be vested immediately and transferred to the participants subject to the registration of changes with relevant industrial and commercial authorities.

Acceptance and payment

Save as the purchase price below, the Employee Incentive Scheme does not provide any acceptance payment.

Basis of Purchase price

The purchase price of the incentive awards is determined on comprehensive consideration of factors, including the participants' contribution to our Company and their respective professional and technical competence.

Remaining life

The Employee Incentive Scheme commenced on April 25, 2019, and shall continue to be in effect unless terminated upon the approval by the Shareholders.

H Share Award Scheme

The Group adopted the first H Share award and trust scheme (the “**H Share Award Scheme**”) approved by the Shareholders on the annual general meeting held on June 20, 2024 (“**2024 AGM**”).

The following is a summary of the principal terms of the H Share Award Scheme:

Purpose

The purposes of the H Share Award Scheme are: (a) to attract, motivate and retain skilled and experienced personnel to strive for the future development and expansion of the Group by providing them with the opportunity to own the equity interests in the Company; (b) to deepen the reform on the Company's remuneration system and to develop and constantly improve the interests balance mechanism among the Shareholders and the operational and executive management; and (c) to recognize the contributions of the leadership of the Company (including the Directors) and to encourage, motivate and retain the leadership of the Company whose contributions are beneficial to the continual operation, development and long-term growth of the Group, and to provide additional incentive for the leadership of the Company by aligning the interests of the leadership of the Company to those of the Shareholders and the Group as a whole.

Eligibility of participants

Eligible Participants who may participate in the H Share Award Scheme include any PRC or non-PRC employee of any members of the Group, who is a Director, senior management, key operating team member, employee or a consultant of the Group. However, no individual who is resident in a place where the grant, acceptance or vesting of an award pursuant to the H Share Award Scheme is not permitted under the laws and regulations of such place or where, in the view of the Board and/or the delegatee, in compliance with applicable laws and regulations in such place makes it necessary or expedient to exclude such individual, not in the Scheme and such individual shall therefore be excluded therefrom.



Report of the Directors

Shares available for issue

There were no Shares available for issue under the H Share Award Scheme as at the date of the annual report.

Total number of the underlying shares of the awards

The scheme limit shall be 10% of the total issued Shares at the date of obtaining approval of the H Share Award Scheme from the Shareholders at the 2024 AGM (i.e. 226,330,340 Shares). The underlying Shares under such scheme limit represents 8.82% of the share capital of our Company in issue as at December 31, 2025.

Maximum entitlement of each participant

There is no limit on the entitlement of each participant under the H Share Award Scheme.

Vesting period

Unless otherwise specified in the award letter approved by the Board and/or the delegatee, and subject to the vesting conditions set out in the H Share Award Scheme rules, all awards under the scheme shall be vested in three tranches (i.e., 30%, 30% and 40%, each being a “**Vesting Period**”). The specific commencement and duration of each Vesting Period and the actual vesting amount of the award granted to a selected participant for the respective Vesting Periods shall be specified in the award letter approved by the Board and/or the delegatee. The Vesting Periods of the awards granted under the H Share Award Scheme or the awards to be satisfied by the application of any returned Shares shall be determined by the Board and/or the delegatee in its sole and absolute discretion.

Acceptance and payment

Save as the purchase price below, the H Share Award Scheme does not provide any acceptance payment.

Basis of the grant price

The Board and/or the delegatee may from time to time determine the grant price (if applicable) with respect to award Shares, and may from time to time vary the aforesaid conditions set forth in the award letter with reference to the change of market conditions and for the purpose of better achieving the purposes of the H Award Share Scheme, provided that the notice of changed grant price shall be served on the relevant selected participant.

Remaining life

Subject to any early termination of the H Share Award Scheme pursuant to the scheme rules, the H Share Award Scheme shall be valid and effective for ten years commencing from June 20, 2024. As at the date of the annual report, the remaining life of the H Share Award Scheme is around eight years and 3 months.



Report of the Directors

Movements of the awards granted and outstanding under the H Share Award Scheme

Details of the movement of the awards granted under the H Share Award Scheme during the Reporting Period are set out below:

Category of grantees	Grant date	Vesting period ⁽¹⁾	Grant price per award	Closing price immediately before the grant date	Opening balance as at January 1, 2025	Number of Awards					Closing balance as at December 31, 2025
						Granted during the Reporting Period	Vested during the Reporting Period	Cancelled/ forfeited during the Reporting Period	Lapsed during the Reporting Period	Unvested as at December 31, 2025	
The five highest paid individuals (in aggregate) ⁽²⁾	July 18, 2024	July 18, 2024 – July 17, 2027	HKD5.36	HKD31.35	1,360,000	-	279,208	-	-	1,080,792	1,080,792
other employees of the Group (in aggregate)	July 18, 2024	July 18, 2024 – July 17, 2027	HKD5.36	HKD31.35	794,000	-	121,942	-	-	672,058	672,058

Notes:

(1) Vesting Period and Conditions

The vesting periods of the awards granted under the H Share Award Scheme are as follows:

	Vesting Periods	Proportion of Vesting
First Vesting Period	July 18, 2024 – July 17, 2025	30%
Second Vesting Period	July 18, 2025 – July 17, 2026	30%
Third Vesting Period	July 18, 2026 – July 17, 2027	40%

Vesting of the awards granted under the H Share Award Scheme is subject to conditions of the performance indicators of the Company and the individual performance indicators of the grantee as set out in the award letter.

- (2) Such individuals who were granted do not include the Directors, Supervisors and the Chief Executive of the Company.
- (3) The fair value of the awards granted on July 18, 2024 was HKD31.35 per share, which was calculated based on the market price of the Company's H Shares at the grant date. Details of the accounting standard and policy adopted are set out in Note 26 to the consolidated financial statements.



Report of the Directors

ISSUED DEBENTURES

As at December 31, 2025, neither the Company nor any of its subsidiaries issued any debentures.

EQUITY-LINKED AGREEMENTS

Save as disclosed in this annual report, no equity-linked agreement that will or may result in the Company issuing Shares nor require the Company to enter into an agreement that will or may result in the Company issuing Shares was entered into by the Company during the year ended December 31, 2025 or subsisted at the end of the year.

CONTRACT OF SIGNIFICANCE

No contract of significance has been entered into between the Company, or any of its subsidiaries and the controlling shareholder or any of its subsidiaries during the year ended December 31, 2025.

RETIREMENT AND EMPLOYEE BENEFITS SCHEME

Details of the retirement and employee benefits scheme of the Company are set out in Note 9 to the Financial Statements.

SUFFICIENCY OF PUBLIC FLOAT

Based on the information that is publicly available to the Company and to the knowledge of the Directors, not less than 25% of the Company's total issued shares, the prescribed minimum percentage of public float approved by the Stock Exchange and permitted under the Listing Rules, were held by the public at all times during the year ended December 31, 2025 and as at the date of this report.

MATERIAL LITIGATION

For the year ended December 31, 2025 and as at the date of this annual report, the Company was neither involved in any material litigation or arbitration, nor may be brought up or accused of any pending material litigation or claims.

CONTROLLING SHAREHOLDERS' INTERESTS IN COMPETING BUSINESS

For the year ended December 31, 2025 and up to the date of this annual report, the controlling shareholders of the Company, namely Mr. SONG Yang, Zichi Platform, Suzhou Hongchi and Suzhou Luchi have no interests in any business which competes with or is likely to compete with the businesses of the Group.

RELATED PARTY TRANSACTIONS AND CONNECTED TRANSACTIONS

The Group did not enter into any connected transactions and continuing connected transactions which required reporting, annual review, announcements and/or independent shareholders' approval under Chapter 14A of the Listing Rules for the year ended December 31, 2025.

Details of the related party transactions entered into by our Group are set out in Note 34 to the Financial Statements and they were connected transactions exempt from the connected transaction requirements under Chapter 14A of the Listing Rules.



Report of the Directors

AUDIT COMMITTEE REVIEW OF FINANCIAL STATEMENTS

The Audit Committee has reviewed the accounting standards and practices adopted by the Group and the audited consolidated financial statements and annual results of the Group for the year ended December 31, 2025, and is of the view that the Group's consolidated financial statements for the year ended December 31, 2025 are prepared in accordance with the applicable accounting standards, laws and regulations, and appropriate disclosures have already been made.

AUDITORS

KMPG was appointed as the auditor of the Company with effect from November 25, 2024. The consolidated financial statements of the Group set out in the annual report were audited by KPMG.

H SHARE FULL CIRCULATION

(I) 2025 First H Share Full Circulation

On October 25, 2024, the Company submitted an application to the CSRC in respect of the conversion of 100,066,170 of its Domestic Shares into H shares, and the Company received a filing notice issued by the CSRC regarding the Company's proposed implementation of the H share full circulation on January 10, 2025. On January 23, 2025, the Stock Exchange granted approval for the listing of and permission to deal in 100,066,170 H Shares, representing the maximum number of Domestic Shares to be converted to H Shares. On February 6, 2025 the conversion of 100,066,170 Domestic Shares into H Shares had been completed, and listing of such Shares on the Stock Exchange commenced on February 7, 2025. For more related details, please refer to the Company's announcements dated October 25, 2024, January 10, 2025, January 23, 2025 and February 6, 2025.

(II) 2025 Second H Share Full Circulation

On April 17, 2025, the Company submitted an application to the CSRC in respect of the conversion of 24,660,485 of its Domestic Shares into H shares, and the Company received a filing notice issued by the CSRC regarding the Company's proposed implementation of the H share full circulation on June 6, 2025. On June 13, 2025, the Stock Exchange granted approval for the listing of and permission to deal in 24,660,485 H Shares, representing the maximum number of Domestic Shares to be converted to H Shares. On June 23, 2025 the conversion of 24,660,485 Domestic Shares into H Shares had been completed, and listing of such Shares on the Stock Exchange commenced on June 24, 2025. For more related details, please refer to the Company's announcements dated April 17, 2025, June 6, 2025, June 13, 2025 and June 23, 2025.

SIGNIFICANT EVENTS AFTER THE REPORTING PERIOD

Save as disclosed above, there was no significant event that happened after the Reporting Period.

By order of the Board
iMotion Automotive Technology (Suzhou) Co., Ltd.
Mr. SONG Yang
Chairman of the Board

Hong Kong, March 26, 2025



Environmental, Social and Governance Report

ABOUT THIS REPORT

This is the third Environmental, Social, and Governance (ESG) report issued by iMotion Automotive Technology (Suzhou) Co., Ltd.. Focus on the disclosure of the Company and its subsidiaries in ESG management initiatives, highlight practices and results.

Time Scope

This report is an annual report covering the period from January 1, 2025 to December 31, 2025, with some content beyond the above scope.

Reporting Boundary

This report is based on iMotion Automotive Technology (Suzhou) Co., Ltd., covering all subsidiaries of the Company.

Basis and Principles for Preparation

This report has been prepared with reference to the United Nations Sustainable Development Goals (SDGs), *the GRI Sustainability Reporting Standard* (GRI Standard) of the Global Sustainability Standards Board (GSSB), and *the Environmental, Social and Governance Reporting Code* in Appendix C2 of *the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited*. The principles of materiality, quantitative, balance and consistency are taken into account for information disclosure.

Source of Information

The information and materials in this report are mainly derived from the Company's internal official documents, internal statistics, and public information. Unless otherwise stated, the currency amounts involved in this report are measured in RMB.

Reference Explanation

For ease of reference, terms such as "iMotion," "The Company," and "we" in this report represent iMotion Automotive Technology (Suzhou) Co., Ltd.

Access to the Report

This report is published in electronic form and can be viewed and downloaded at:

- iMotion's official website: www.imotion.ai
- Website of the Hong Kong Stock Exchange: www.hkex.com.hk

Contact Us

If you have any questions or feedback about this report and its contents, please contact us through the following methods:

- E-mail: investor@imotion.ai
- Address: 19th and 20th Floors, Building G2, No. 88 Jinji Lake Avenue, Suzhou Industrial Park, Suzhou, Jiangsu Province, China (Attn: Board of Directors)



Environmental, Social and Governance Report

BOARD STATEMENT

iMotion deeply recognizes that sustainable development is not only a corporate responsibility but also a strategic necessity for the future. We are committed to integrating ESG principles deeply into corporate decision-making and daily operations, working hand in hand with all partners to create sustainable shared value.

During the reporting period, the Board of Directors, as the highest authority responsible for ESG and climate-related matters, assumed overall responsibility for the Company's ESG-related issues and disclosures. The Board continuously monitored changes in the external macro environment, the Company's development strategy, and ESG trends, comprehensively reviewed ESG goals, strategies, and management policies, identified, assessed, and oversaw material ESG issues, reviewed annual ESG material topics and the ESG report, and advanced ESG integration into business operations by organizing relevant meetings to review progress on ESG initiatives.

To enhance execution effectiveness, management serves as the coordination hub, responsible for developing the Company's ESG strategy, policies, and reporting; determining the prioritization of ESG issues; identifying and assessing the actual and potential impacts of ESG and climate-related risks and opportunities on the Company's business development and strategic planning over the short, medium, and long term; formulating corresponding response measures and action plans; coordinating cross-departmental ESG collaboration and communication; regularly reviewing implementation progress; and reporting to the Board to ensure the effective implementation of the ESG strategy at the operational level.

This report comprehensively discloses iMotion's 2025 ESG progress and achievements, and the content has been reviewed and approved by the Board of Directors.

1. GOVERNANCE

1.1 Compliance Management and Risk Control

iMotion diligently fulfills its obligations as a listed company, complies with relevant laws and regulations such as *the Company Law of the People's Republic of China* and *the Securities Law of the People's Republic of China*, continuously optimizes its corporate governance structure, improves its risk management framework and internal control system, establishes risk management mechanisms, and earns the trust of investors, partners, and the broader society, thereby providing a solid foundation for the Company's stable development.

We value diversity and independence on the Board of Directors, whose members possess a range of professional expertise in fields such as electronic engineering, computer science, management, and law, ensuring efficient and sound decision-making. As of the date of the annual report, iMotion had a total of 6 directors, including 3 female directors.



Environmental, Social and Governance Report

1.2 Business Ethics and Anti-Corruption

The Company complies with relevant laws and regulations such as *the Anti-Monopoly Law of the People's Republic of China* and *the Anti-Unfair Competition Law of the People's Republic of China*. It continuously optimizes its business ethics management system by establishing internal policies including *the iMotion Integrity and Self-Discipline Management System*, *the iMotion Employee Gift Acceptance Registration Management System*, *the iMotion Anti-Money Laundering Management System*, and *the iMotion Compliance Emergency Management System*. These policies clearly define the scope of anti-bribery, anti-corruption, and anti-fraud activities, as well as the responsibility boundaries among departments. The Company has established procedures for anti-money laundering risk management and emergency response plans for compliance incidents to standardize employees' business ethics. This year, the Company officially became a member of the Sunlight Integrity Alliance and the Anti-Fraud Alliance. By sharing case resources and exchanging strategies with alliance members, the Company has further enhanced the effectiveness and practical level of its anti-corruption efforts. In 2025, the Company had 1 concluded case of corruption lawsuit. The implicated employee was sentenced to criminal penalties by judicial authorities for the crime of accepting bribes by a non-state functionary. Following the incident, the Company further strengthened its anti-corruption compliance training to prevent the recurrence of similar incidents.

We continuously improve our complaint and reporting management system by establishing reporting channels such as a dedicated email address, hotline, and online reporting via our official website. We publicly disclose information on these reporting channels through our company website, employee meetings, policy documents, and supplier integrity agreements, encouraging employees to report any illegal or non-compliant behaviors. Corresponding actions are taken based on the investigation results. We follow established procedures for special audit investigations to enhance the efficiency of handling and investigating reports, and we strictly require that all reporter information be kept confidential.

We conduct specialized anti-fraud audits focusing on social and environmental factors related to business ethics and anti-corruption, human rights, health and safety, and the environment, helping our company, partners, suppliers, and other stakeholders identify potential corruption risks and reduce legal exposure. We require all suppliers to sign *Integrity and Self-Discipline Agreements*, and carry out legal compliance reviews and supervision over supplier onboarding, bidding, and procurement processes. Clear red lines for ethical cooperation, reporting channels, and penalty mechanisms are established, along with dedicated procurement audits to promptly mitigate corruption risks. By 2025, 100% of suppliers have signed *Integrity and Self-Discipline Agreement*.

We value the development and promotion of a culture of integrity, enhancing employees' awareness of integrity and compliance through anti-corruption training, and fostering a fair and ethical working environment. The Company has conducted multiple anti-corruption training sessions internally via various formats such as company-wide emails, employee meetings, online specialized training, and management meetings for middle and senior-level leaders, focusing on topics including explanations of compliance policies and channels for reporting corruption. The employee handbook has integrated internal policy documents on best business practices, professional ethics, and anti-corruption measures, requiring employees to actively study these materials to further strengthen their vigilance against corruption. In 2025, 4 directors participated in anti-corruption training, with an average training duration of 1 hour; a total of 500 employees participated in anti-corruption training, with an average duration of 1 hour.



Environmental, Social and Governance Report

1.3 ESG Management

1.3.1 ESG Governance Structure

The Company is committed to integrating ESG into its strategic planning and business operations, establishing an ESG management system, clarifying responsibilities at all levels, and continuously improving ESG management capabilities.

- **Decision-making Level:** The Board of Directors is responsible for the supervision and decision-making of the company's ESG matters, monitoring the company's ESG related objectives, strategies and management, as well as the annual ESG reporting.
- **Management:** The management level is responsible for formulating the company's ESG strategy, policies and reports; identifying ESG and climate-related risks; determining ESG materiality issues; clearly representing and identifying the responsibilities of each head of department in ESG matters; formulating ESG professional training programs; and facilitating the implementation of ESG-related work plans and providing resource support.
- **Operational Level:** Each department is responsible for cooperating with the implementation of the company's ESG work plan and arrangements and promoting the realization of ESG objectives; reporting ESG-related information and work progress on a regular basis.

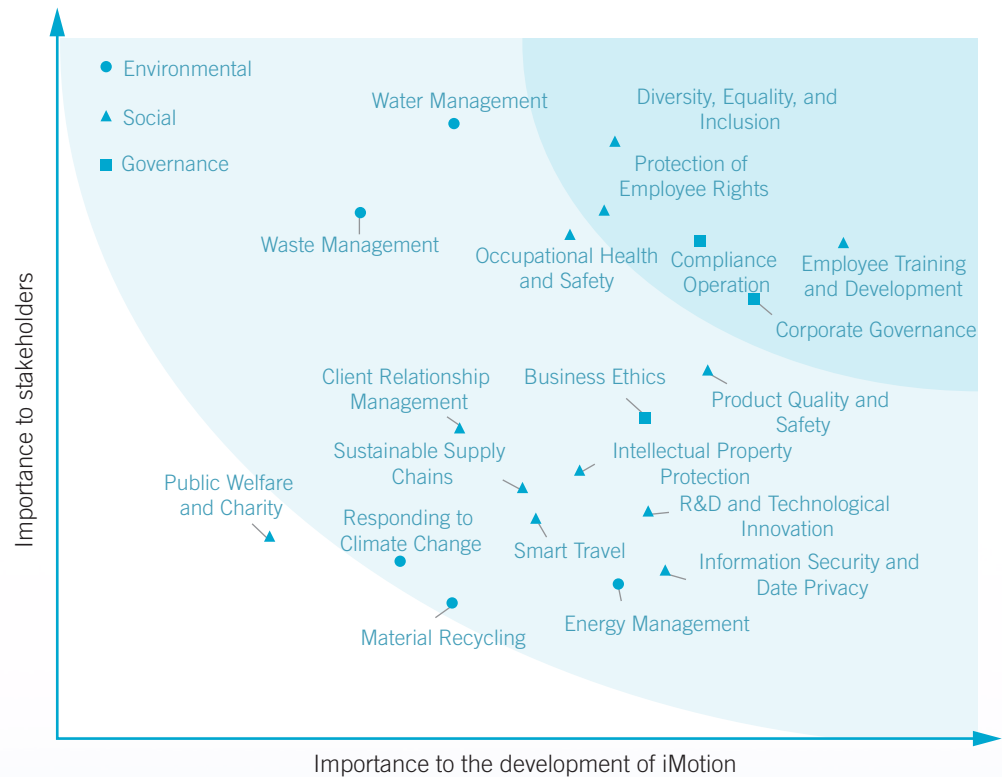
1.3.2 Determination of Material Issues

We conduct an ESG materiality assessment every two years, provided there are no significant changes in the Company's business scope or scale. Based on regulatory ESG disclosure requirements, as well as considerations of national policy developments, industry trends, peer benchmarking analysis, and our own business development and strategic planning, the Company has established a list of ESG material topics. By soliciting input from internal and external stakeholders – including government/regulatory bodies, shareholders/investors, customers, employees, the public in the community, and suppliers/partners. We prioritize these material topics along two dimensions of "importance to the development of iMotion" and "importance to stakeholders". This process results in iMotion's ESG Materiality Matrix, which is then reviewed and approved by the Company's Board of Directors.



Environmental, Social and Governance Report

- Issue Identification:** By analyzing domestic and foreign ESG-related standards and the requirements of national regulatory policies, the Company conducted industry benchmarking analysis, and selected 20 material issues based on the Company’s own actual situation and business layout.
- Issue survey:** We conducted questionnaire surveys for internal and external stakeholders such as government/regulatory authorities, shareholders/investors, consumers, employees, community public, suppliers/partners.
- Ranking of issues:** Based on the results of the questionnaire survey, from the two dimensions of “importance to the development of iMotion” and “importance to stakeholders”, the issues were prioritized and a matrix of material issues of iMotion was formed.
- Issue Review:** The internal management and external experts of the Company review the issue selection results, and finally determine highly important issues, and make key disclosures in the report.



iMotion’s material ESG issue matrix for 2025



Environmental, Social and Governance Report

1.4 Communication with Stakeholders

The Company places great importance on communication and engagement with stakeholders, continuously improving communication mechanisms to gain a deeper understanding of stakeholders' expectations and needs, and promptly and effectively responding through diverse channels and methods.

Stakeholders	Expectations and Demands	Communication and Response
Government/ Regulatory Authorities	<ul style="list-style-type: none"> Compliant operation Business ethics Corporate governance Responding to climate change 	<ul style="list-style-type: none"> Government visits Annual financial report Regular reporting and communication
Shareholders/Investors	<ul style="list-style-type: none"> Compliant operation Business ethics Corporate governance Intellectual property protection 	<ul style="list-style-type: none"> Shareholders' meeting Investor presentation Annual financial report
Customer	<ul style="list-style-type: none"> Product quality and safety Smart travel Client service R&D and technological innovation Information security and privacy protection 	<ul style="list-style-type: none"> APP Company website and e-mail Customer research
Employee	<ul style="list-style-type: none"> Employee rights protection Diversity, equity, and inclusion Occupational health and safety Employee training and development 	<ul style="list-style-type: none"> Employee interviews Employee training Social media (WeChat, DingTalk, Feishu, etc.) E-mail
Community public	<ul style="list-style-type: none"> Public welfare and charity Material recycling 	<ul style="list-style-type: none"> Disclosure of information Volunteerism Company official website and e-mail
Supplier/Partner	<ul style="list-style-type: none"> Sustainable supply chains R&D and technological Innovation Business ethics 	<ul style="list-style-type: none"> Supplier evaluation SRM system
Environment	<ul style="list-style-type: none"> Waste management Water management Energy management Material recycling and reuse Responding to climate change 	<ul style="list-style-type: none"> Disclosure of information Regulation and Compliance



Environmental, Social and Governance Report

2. ENVIRONMENT

2.1 Environmental and Waste Management

The Company places great importance on environmental protection and waste management, strictly complying with relevant laws and regulations such as *the People's Republic of China Law on the Prevention and Control of Atmospheric Pollution* and *the People's Republic of China Law on the Prevention and Control of Environmental Pollution by Solid Wastes*. It is committed to establishing a green, low-carbon business model, strengthening waste management, and striving to minimize, recycle, and safely dispose of waste, thereby reducing environmental impacts and continuously improving environmental performance. In 2025, the Company has obtained ISO 14001 environmental management system certification. There have been no major environmental violations.

IMotion 2026 Environmental Goals:

- Achieve 100% compliant gas emissions
- Enhance the waste classification, recycling, and circular utilization system to improve resource utilization efficiency and continuously reduce waste generation
- Promote water-saving technology upgrades and equipment modernization to increase water resource utilization efficiency and continuously reduce water consumption

In 2025, with the commissioning of the new automated warehouse and production lines, we successfully delivered over 388,000 sets of integrated driver assistance solutions and products to our customers, a year-on-year increase of 70.9%. However, influenced by the expansion of the factory premises and the surge in shipment volume, resource consumption and waste emissions also saw a corresponding increase.



Environmental, Social and Governance Report

2.1.1 Gas Emissions

IMotion places great importance on air pollution prevention and control, and has developed *the Regulations on Waste Gas Emissions and Management* with reference to *the Comprehensive Emission Standards for Air Pollutants, the Ambient Air Quality Standards, the Emission Control Standards for Volatile Organic Compounds from Industrial Enterprises, the Standards for Unorganized Emissions of Volatile Organic Compounds, and the Emission Standards for Malodorous Pollutants*, to strictly control atmospheric pollutants emitted during production processes. The Company's exhaust gas emissions are mainly VOCs, tin and its compounds, and particulate matters generated during production. In 2025, the Company's waste gas emissions were 0.24 tonnes, with an emission intensity of 0.006 tonnes per 10,000 sets.

To reduce the generation of exhaust gases, the Company has implemented a series of exhaust gas control measures.

Control phase	Specific measures	Implementation Objectives
Source control	When purchasing new equipment and carrying out technological upgrades, prioritize equipment and processes that generate the least pollutant emissions.	Reduce pollutant generation at the source by promoting clean production.
Operation and Maintenance	Perform daily inspections, scheduled maintenance, and cleaning; strictly enforce the equipment maintenance system.	Ensure that the exhaust gas treatment facilities are fully functional and operating properly.
Compliance Monitoring	Regularly commission external environmental monitoring agencies to test exhaust gases and atmospheric pollutants.	Monitor emission data in real time to ensure compliance with national environmental protection standards.
Emergency Response	Establish an emergency response procedure for sudden environmental incidents and activate the emergency response plan.	Respond promptly to emergencies and minimize environmental impact.



Environmental, Social and Governance Report

2.1.2 Hazardous Waste

The Company continues to strengthen the classification control and safe management of hazardous waste, strictly complying with laws and regulations such as *the People's Republic of China Law on the Prevention and Control of Environmental Pollution by Solid Waste*. It has established *the Hazardous Waste Control Procedure* to standardize the management of waste generated during laboratory testing services. To ensure 100% compliance in hazardous waste treatment, the Company entrusts qualified third-party organizations with professional credentials to handle hazardous waste and strictly implements the waste transfer manifest system, ensuring that every disposal record is traceable and clearly documented. The Company regularly conducts specialized skills training and emergency response drills for frontline personnel involved in hazardous waste management, enhancing employees' emergency response capabilities and environmental awareness to ensure the safe transfer and harmless disposal of hazardous waste.

The Company's hazardous waste mainly originates from operational and laboratory testing services, including waste activated carbon, waste rags, waste board edges, waste organic solvents, waste chemical packaging containers, and non-conforming products. In 2025, the Company's total discharge of hazardous waste was 1.7 tonnes, and the intensity of hazardous waste discharge was 0.04 tonnes per 10,000 sets.

2.1.3 Non-hazardous Waste

IMotion implements classified management and compliant disposal of non-hazardous waste in accordance with its internal company regulations. For recyclable waste, the Company centrally collects and sells it to authorized recycling agencies, maintaining strict record-keeping. For non-recyclable waste, the Company entrusts third parties such as municipal sanitation departments for centralized removal and disposal. Meanwhile, the Company actively promotes waste sorting awareness and encourages the reuse of certain non-hazardous solid wastes, aiming to reduce non-hazardous waste generation at the source. In 2025, the Company's total discharge of non-hazardous waste was 4.32 tonnes, and the intensity of non-hazardous waste discharge was 0.11 tonnes per 10,000 sets.



Environmental, Social and Governance Report

2.2 Resource Management

IMotion strictly complies with relevant laws and regulations such as *the Energy Conservation Law of the People's Republic of China* and *the Water Pollution Prevention and Control Law of the People's Republic of China*. In conjunction with the Company's production and operational conditions, it has established management systems including *the Environmental Protection, Energy Saving, and Emission Reduction Plan and Objectives* and *the Energy Conservation Control Measures and Standards*, continuously strengthening energy management and reducing energy and material consumption to maximize energy utilization efficiency.

- **Energy Management**

The Company fully recognizes the significant impact of energy consumption on the ecological environment and has established a comprehensive energy management system, clearly defining the energy management responsibilities and operational procedures for each department, thereby providing institutional support for systematically reducing energy consumption. The Company has set a target to ensure that the total comprehensive energy consumption does not exceed 593.05 tons of standard coal equivalent (tce) annually, with 2025 as the baseline year.

Indicators	Units	2025
Total energy consumption	tonnes of standard coal	505.29
Total energy consumption intensity	tonnes of standard coal/10,000 sets	13.01
Electricity consumption	10,000 kWh	411.14
Electricity consumption intensity	10,000 kWh/10,000 sets	10.59

Note: Total energy consumption: the Company's total energy consumption is mainly the energy consumption generated from the use of purchased electricity, and the energy consumption coefficients refer to *the General Rules for the Calculation of Comprehensive Energy Consumption* (GB/T 2589-2020).

- **Water resources management**

The Company places great importance on water resource management and strictly complies with relevant laws and regulations such as the *People's Republic of China Law on the Prevention and Control of Water Pollution*, ensuring that all water intake and discharge activities meet industry standards and regulatory requirements. The Company's operations primarily involve production water and domestic water use. Through measures such as equipment upgrades, enhanced management, and promotion and awareness campaigns, the Company aims to reduce water consumption and improve water use efficiency. The Company regularly reviews water consumption data and inspects and maintains water pipes, valves, and faucets, identifying anomalies to promptly detect and address instances of water leakage, overflow, dripping, and seepage. In addition, we actively encourage employees to conserve water by conducting 5S management training, and posting water-saving slogans near tap switches to enhance employees' awareness of water conservation. During the 2025 operating cycle, the Company did not encounter any issues regarding water source suitability or water withdrawal.

Indicators	Units	2025
Total water consumption	tonnes	21,569.53
Water consumption intensity	tonnes/10,000 sets	555.57



Environmental, Social and Governance Report

- **Recycling**

Our products are primarily packaged using biodegradable materials such as paper and metal, as well as non-biodegradable materials including plastic packaging and containers. Upholding the principle of environmental sustainability, we prioritize recyclable packaging materials and actively promote the use of reusable plastic containers. These reusable containers are designed to be both durable and easy to disassemble, enabling multiple reuse cycles and significantly improving operational efficiency. Additionally, to ensure products are protected from impact during transportation, we incorporate recyclable EPE foam inserts within the packaging, effectively reducing packaging costs and achieving a win-win outcome in terms of economic benefits and resource recycling.

Indicators	Units	2025
Packaging material consumption	tonnes	17.21
Packaging material consumption intensity	tonnes/10,000 sets	0.44

- **Green Office**

The Company continues to deepen energy-intensive management in office areas by comprehensively upgrading to LED energy-saving lighting, implementing scheduled power-off mechanisms for air conditioning and lighting, and strictly regulating electricity usage. Unauthorized wiring is strictly prohibited. The Company adheres to the principle of utilizing natural daylight whenever sufficient and promptly turning off power in unoccupied areas, effectively reducing energy consumption.

The Company actively promotes paperless office practices by installing Outlook, DingTalk, and WMS approval systems on all computers to enable electronic document circulation. At the same time, it strictly controls printing processes, implements categorized use of single and double-sided paper, sets default black-and-white printing, and optimizes document layout to reduce paper consumption. Additionally, the Company provides waste sorting and recycling facilities to classify and recycle resources such as paper, plastic, and metal. It also encourages employees to reduce the use of disposable items and promotes reusable office supplies to foster a green working environment.

2.3 Responding to climate change

In response to the growing climate challenges and in support of the national “dual carbon” goals, iMotion, referring to the framework recommendations of the Task Force on Climate-related Financial Disclosures (TCFD), is systematically advancing initiatives across four core areas – governance, strategy, risk management, and metrics and targets. The Company actively addresses climate change by integrating climate considerations into its core operations, ensuring deep alignment between climate issues and long-term corporate development. Zhihang is committed to minimizing its environmental impact, supporting carbon emission reductions, and contributing to global efforts in tackling climate change.



Environmental, Social and Governance Report

- **Governance**

The Company has established a systematic, tiered governance structure related to climate change, continuously improving internal management mechanisms and methodologies. The Board of Directors oversees and makes decisions on ESG and climate-related matters, reviews the Company's climate-related goals, and formulates strategies for managing climate-related risks and opportunities. Management places strong emphasis on ESG and climate-related risk management, assesses climate-related risks and opportunities, and is responsible for reporting climate trends to the Board, providing a basis for strategic ESG decision-making. The Company actively promotes actions to address climate change.

To enhance governance effectiveness, the Company has established a regular reporting mechanism to ensure smooth upward communication of information. Management regularly reports to the Board on progress regarding climate change-related matters, with significant issues reported immediately to ensure timely decision-making. Meanwhile, The board of directors and relevant management personnel possess foundational capabilities in climate risk management and continuously enhance their awareness and response capabilities regarding climate-related issues through ad hoc training sessions. In addition, based on the Company's actual business operations, We are actively researching and evaluating the pathways and approaches for incorporating key climate performance indicators into management compensation assessments., in order to further enhance the implementation of climate-related initiatives and strengthen accountability mechanisms.

- **Strategy**

In 2025, the Company closely monitored policy developments related to climate change and the impacts of extreme weather events, regularly identifying risks and opportunities associated with climate change, systematically assessing their potential effects on business models and value chains, and proactively formulating response measures. Based on the established list of climate-related risks and opportunities, the Company further clarified, in the context of its actual operational scenarios, the degree of impact various climate factors could have on the enterprise in the short, medium, and long term. On this foundation, the Company dynamically optimized its risk and opportunity management strategies and action plans, promoting the integration of climate considerations into strategic planning, investment decisions, and daily operations, thereby continuously enhancing its climate resilience.

Time range of impact:

- Short-term (0-5 years): Based on annual business planning, with a focus on addressing the direct impacts of foreseeable climate policy adjustments and extreme weather events on production and operations.
- Medium-term (5-10 years): Closely align with the national "dual carbon" strategy and industry transformation trends, systematically allocate resources, funding, and human capital, and focus on enhancing the climate resilience and market competitiveness of business models.
- Long-term (10-30 years): Align with the global low-carbon development trend and establish a long-term strategic blueprint for future-oriented growth, based on a comprehensive assessment of the Company's business and investments in response to climate change and transition requirements.



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- **Identification and Response to Climate Risks and Opportunities**

The Company identifies and analyzes climate-related risks and opportunities based on industry development and actual business operations, and formulates corresponding response measures. The Company has not yet established mature climate scenario analysis models and supporting quantitative tools at this stage, and the correlation between such risks and assets/business activities cannot be precisely segmented using existing data systems, the Company is not yet in a position to disclose the amount and proportion of relevant affected assets and business activities. The Company will continue to invest in climate risk management capabilities and adopt quantitative assessment methods in due course to enhance relevant disclosures.

- *Climate-related risks*

Risk Type	Climate-related risks	Impact on the value chain	Expected Impact Time	Potential financial impact	Response measures
Physical risk	<ul style="list-style-type: none"> • Increased risk of factory flooding due to extreme precipitation, typhoons, floods, and other events, leading to product damage and economic losses • Compromising the operational safety of factory equipment and facilities, affecting production stability, and potentially leading to breaches of contract, compensation claims, and legal liabilities due to business interruptions or related issues. • Sales declined due to supply chain disruptions in terminal transportation caused by natural disasters and other events, while employee health and safety risks increased, affecting product production progress. • With global warming and climate change, the risks of heatwaves, droughts, and wildfires are significantly increasing, leading to higher maintenance and operational costs for air conditioning systems, increased energy consumption, and reduced product lifespan. 	Overall	Short-term	Decrease in operating revenue Rising operating costs	<ul style="list-style-type: none"> • The Company has established safety management regulations and emergency response plans for extreme weather and natural disasters to ensure employee safety. • Adopt safer and more robust equipment and facilities to enhance the ability to withstand natural disasters • Closely monitor extreme weather conditions in various regions and promptly activate emergency response plans. • Promptly inspect, maintain, and update usage information for equipment to prevent unnecessary energy consumption caused by high-pressure operation.



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Risk Type	Climate-related risks	Impact on the value chain	Expected Impact Time	Potential financial impact	Response measures
Transition risk	<ul style="list-style-type: none"> Changes in relevant climate policies impact supply chain stability as well as the complexity and cost of carbon emissions management. The market and customers will demand more green and low-carbon products. 	Overall	long-term	Increased operating costs and rising investment in R&D	<ul style="list-style-type: none"> Continuously monitor the development trends of environmental protection and low-carbon laws and regulations, and promptly formulate response measures. Develop the <i>Energy Conservation and Control Measures Specification</i> to strengthen energy management and reduce energy and resource consumption. Promote green R&D and operations by increasing investment in R&D for low-carbon and environmentally friendly products.

➤ *Climate-related opportunities*

Type of opportunity	Climate-related opportunities	Impact on the value chain	Expected Impact Time	Potential financial impact	Response measures
Resource Efficiency	<ul style="list-style-type: none"> Leveraging digital transformation to optimize resource allocation, and utilizing big data and artificial intelligence technologies to enable accurate forecasting of energy demand and dynamic adjustment of energy consumption strategies, facilitating the transition of energy management toward intelligence and precision. 	Operations	Mid-term	Operating costs decreased	<ul style="list-style-type: none"> Comprehensively advance intelligent upgrades by establishing an energy demand forecasting model based on artificial intelligence algorithms, integrating multidimensional data such as production schedules, seasonal fluctuations, and equipment operating conditions, to dynamically optimize energy supply strategies and continuously improve energy efficiency.
Climate resilience	<ul style="list-style-type: none"> Actively fulfill environmental and social responsibilities, gradually enhance the Company's climate resilience, and build a positive corporate image. 	Overall	Long-term	Credit risk has decreased	<ul style="list-style-type: none"> Actively enhance climate risk identification and response capabilities, and fulfill environmental social responsibilities Enhance climate information disclosure capabilities and improve disclosure transparency



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- **Climate Action**

To help achieve carbon reduction goals, we have always made energy conservation a core direction of our efforts and have adopted a variety of measures toward this end. On the one hand, we continue to improve our energy-saving and emission-reduction management system, constantly refining relevant regulations and strengthening the full-process monitoring of energy consumption, in order to reduce unnecessary energy waste at the source. On the other hand, through the planned phasing out of outdated, energy-intensive, and inefficient equipment, we actively introduce more energy-efficient and environmentally friendly technologies and equipment, thereby steadily enhancing overall energy efficiency. In our daily operations, we strictly regulate energy use behaviors in both office and production areas, putting an end to idling and waste. At the same time, we vigorously promote paperless, green office practices and encourage employees to adopt low-carbon, environmentally friendly commuting methods, integrating green concepts into every aspect of work and life as we steadily move toward our carbon reduction goals.

In light of current regulatory requirements, industry practices and business characteristics, the Company has no immediate plan to adopt carbon pricing tools. The Company will keep track of relevant climate policies and industry trends, and assess the feasibility of introducing internal carbon pricing in due course.

- **Indicators and Targets**

The Company continues to promote the integration of green and low-carbon principles into its business operations, aiming to support the achievement of the nation's carbon peak and carbon neutrality goals through carbon reduction initiatives. The company has set a goal to keep its total annual greenhouse gas (GHG) emissions at or below 2,525.65 tCO₂e, using 2025 as the baseline year.

The Company has not set a formal net greenhouse gas emission target at this stage, and has no current plans to use carbon credits or carbon offset instruments to neutralise emissions. The Company will monitor relevant climate policies and industry transition trends, and conduct further assessment on the potential use of carbon offset tools in line with long-term development strategy.

Indicators	Units	2025
Greenhouse gas emissions	tCO ₂ e	2,181.49
Greenhouse gas emissions intensity	tCO ₂ e/10,000 sets	56.19

Note: The Company's greenhouse gas emissions are mainly indirect (Scope 2) greenhouse gas emissions generated from the use of purchased electricity, and the emission conversion factors for electricity are mainly determined with reference to the relevant provisions in the Announcement on Issuing the 2023 Carbon Dioxide Emission Factors for Electricity issued by the Ministry of Ecology and Environment.

The Company adopts the above measurement approach based on industry practice and operational characteristics. No adjustment or change to the measurement approach has been made during the reporting period.



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3. SOCIETY

3.1 Products and Services

3.1.1 Product Quality and Safety

The Company strictly complies with laws and regulations such as *the People's Republic of China Product Quality Law*, and places great emphasis on the safety of high-level assisted driving vehicles to strictly control product quality. The Company adheres to the quality management policy of “technological innovation, pursuit of excellence, safety first, and lean management”, implementing mass production quality control through input, process, output, and evaluation stages in accordance with VDA6.3 process audit, VDA6.5 product audit management, and BQS standards. Regular quality management activities are conducted, and the Company has successfully passed IATF16949: 2016 · ISO14001: 2015 · ISO26262: 2018 · ASPICE L2 · ISO13485: 2016 Quality System Certification. In 2025, the Company had no product recalls attributable to safety or health concerns.

The Company consistently regards product quality as its core competitiveness and foundation for development, continuously enhancing quality inspection capabilities. It comprehensively employs various testing methods and equipment to precisely control key quality parameters such as product dimensional accuracy, appearance, and performance of electronic materials. The specific measures are as follows in three aspects:

Smart manufacturing upgrades strengthen the foundation of quality

By investing 400 million to build a global headquarters, smart factory, and automated intelligent warehouse, and introducing various automated assembly lines and integrated manufacturing systems, the Company has upgraded from “building from scratch” to “optimizing existing capabilities,” significantly enhancing its quality control capabilities.

Digital intelligence empowers quality management

Leveraging the MES system to enable full-process quality traceability from raw materials to shipment, conducting strict inspections of product dimensions, appearance, and electronic components through SMT optical inspection and automated equipment, and regularly performing process and product audits to ensure compliance with quality standards.

Comprehensive training to enhance quality capabilities

By conducting specialized training in component identification and interpretation, polarity recognition, coordinate measuring machine (CMM) operation, and emergency response planning, we aim to enhance employees' quality awareness and operational capabilities across different departments, continuously strengthening the level of product and service quality assurance.

The Company focuses on core technologies such as AI algorithms, large models, and multimodal fusion, continuously strengthening its product quality assurance system and refining its data-driven and algorithm iteration frameworks. Through systematic quality control and safety evaluation, it consistently enhances product safety performance and advances advanced driver assistance systems toward higher levels of intelligence.



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Case	iDC500 Integrated Parking and Driving Domain Controller Quality Assurance
<p>To meet the mass production and delivery requirements of the iDC500 integrated driving and parking domain controller, the Company has continuously optimized its production line quality control and validation system. On the manufacturing side, critical parameters are automatically written and verified through closed-loop checks to ensure accurate algorithm and system configuration. At the data and model level, version consistency management and full-process traceability mechanisms have been established to guarantee stable and reliable algorithm deployment and invocation. The testing phase employs a multi-scenario validation approach combining simulation with real-vehicle testing, comprehensively covering typical operating conditions and edge cases. Additionally, core parameters and functions are re-verified before shipment through End-of-Line (EOL) testing, further enhancing product consistency and reliability. These measures have significantly improved the quality stability of the iDC500, effectively strengthening both the safety and user experience of its integrated driving and parking functionality in real-world applications.</p>	

Indicators	Unit	2025
Percentage of products recalled for safety and health reasons out of the total number of products sold or shipped	%	0

3.1.2 Customer Relationship Management

We have always prioritized the protection of customer rights, committed to continuously enhancing customer satisfaction and overall experience through a high-quality and efficient service system.

- *Response to Customer Complaints*

The Company continuously improves *the Customer Complaint Handling Control Procedure* to ensure full traceability and trackability from issue identification to corrective action completion. Upon receiving customer feedback, the Company responds promptly, confirms the issue in a timely manner, and simultaneously implements interim control measures to prevent further escalation. Meanwhile, relevant teams are organized to conduct root cause analysis, identifying the underlying cause based on data and on-site conditions. For non-conforming products, the Company promptly isolates them and determines the affected scope through batch traceability, initiating a product recall procedure when necessary to minimize potential risks. During the corrective phase, responsible departments are engaged to implement improvement actions, and the effectiveness of these actions is verified to ensure the issue is effectively resolved. Meanwhile, all related processes are documented and summarized in reports for future review and continuous optimization. Through the ongoing refinement of after-sales procedures, we continue to enhance product quality stability and enable earlier detection and effective control of risks. In 2025, the Company received 5 customer complaints, all of which were properly handled and resolved with closed-loop follow-up.



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- *Customer Privacy and Data Security*

The data information collected by the Company is centrally managed internally and does not involve the collection of customer privacy information. The Company strictly complies with *the Cybersecurity Law of the People's Republic of China, the Data Security Law of the People's Republic of China, and the Personal Information Protection Law of the People's Republic of China* and other relevant national laws and regulations, establish and continuously improve *the Data Security Management System, the Important Data Protection System, the Data Classification and Grading Management Provisions, the Data Provision Agreement, the Data Co-processing Agreement, the Data Entrustment Processing Agreement* and other institutional systems to standardize data processing practices and reduce the risks of unauthorized access, disclosure, and misuse of data. In implementation, the Company has established clear management requirements for key stages including data generation, solution design, usage, transmission, and destruction, continuously enhancing its capabilities in data security control and protection of data assets. Meanwhile, the Company places high importance on personal information protection, having established systems such as *Personal Information Protection System Measures* and *Personal Information Compliance Audit Measures*, and regularly conducts training and awareness programs to strengthen employees' awareness of privacy protection. In 2025, the Company did not experience any incidents related to customer privacy breaches.

To further ensure network security, the Company has established *the Data Security Protection Measures, the Information Security Management Regulations, the Information System Emergency Management* and other related system documents, continuously improving the information security management system, and has obtained ISO/IEC 27001:2022 certification. At the technical level, the Company deploys enterprise-grade antivirus software on endpoints, configures firewalls and web usage management systems on the network side, and strengthens security protection capabilities through measures such as SSL VPN, data security emergency response plans, and regular backup and recovery testing. To address risks such as system vulnerabilities, virus attacks, and network intrusions, the Company has established a rapid response mechanism and conducts regular emergency drills to ensure that employees can promptly activate emergency plans and take appropriate response actions according to the severity level when security incidents such as data tampering, loss, or leakage occur, thereby effectively reducing cyber and data security risks.

Indicators	Unit	2025
Product and service complaints received	cases	5



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3.1.3 R&D and Technological Innovation

Innovation Management

The Company continues to improve its innovation management system and has formulated *the R&D Project Management System, the R&D Input Accounting Management, the R&D Expense Auxiliary Accounting Measures* and other systems to standardize and manage the entire process of R&D projects, promoting orderly development of research activities. On this basis, we focus on stimulating employee potential, enhancing R&D efficiency, and ensuring the scientific advancement of new product and technology development, thereby continuously strengthening the Company's core competitiveness and technological innovation capabilities. In 2025, the Company's R&D investment amounted to RMB322.78 million.

The Company further optimized its R&D organizational structure, established *the Management Charter of R&D Organization*, and gradually built a new-generation R&D system supported by big data and large models. To enhance overall R&D capabilities, the Company continuously introduced and cultivated specialized talent, building a well-structured and rationally tiered R&D team. Meanwhile, the Company has advanced through *the Organization, Implementation and Incentive and Reward System for the Transformation of Scientific and Technological Achievements, the Management Measures for Innovation and Entrepreneurship Platforms, and the Employee Reward Mechanism for Knowledge Technology* and other systems to provide corresponding incentives for scientific and technological achievements, fully stimulating team enthusiasm and creativity, and promoting the continuous improvement and development of the Company's innovation capabilities.

In 2025, iMotion received honors including the Chery Commercial Vehicle Quality Reliability Award and the Yipai Outstanding R&D Award, accelerating the industrial implementation of "AI + Robotics" for specific application scenarios.

Case Digitalization upgrade to activate innovation management

Facing management challenges brought by business growth, mass production advancement, and overseas expansion, iMotion has embraced digitalization as a key enabler for innovative management, systematically advancing the upgrade of its management systems. In 2025, iMotion successfully launched its SAP Cloud ERP project. Centered on supply chain collaboration, financial control, data governance, and cross-regional operations, the project integrates end-to-end supply chain and financial processes, drives automation across key workflows, and establishes a unified, standardized, and collaborative global management framework. Through this initiative, iMotion has further enhanced process standardization, operational synergy, and data-driven decision-making capabilities, transforming its management model from fragmented operations toward a systematic and closed-loop approach, thereby strengthening the management foundation for sustained innovation and scalable growth.



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Innovative products

iMotion is actively advancing the research, development, and mass production of core intelligent driving products. In 2025, we continued to refine our product portfolio and expand projects centered around products such as the iDC500 and iDC700, while deepening collaborations with original equipment manufacturers (OEMs) and industrial partners. The iDC500 integrated driving assistance domain controller has already entered mass production, and product development and project progress are accelerating on the Journey 6 series platform, securing 37 new design wins, further strengthening our market position in the field of integrated software and hardware solutions for intelligent driving.

We continue to deepen our strategic focus on robotics and embodied intelligence, consistently strengthening the Company's capabilities in supporting comprehensive business scenarios. The Company has established a dedicated robotics team that collaborates closely with Digua Robotics. Based on Digua's RDK S100P intelligent computing platform, the two parties jointly developed the iRC100, the world's first general-purpose robot controller powered by domestically produced chips, which was officially launched and delivered in September of the same year. Built on a fully independent and controllable technology stack, the product adopts an all-scenario platform architecture, meets industrial-grade and certain automotive-grade standards, and has passed rigorous testing and certification. It provides ecosystem partners with a solid foundation for commercial deployment and offers an end-to-end solution – from underlying hardware and software environments to complete functional deployment, and accelerating the embodied intelligence industry into a new phase of large-scale, commercialized development.

iMotion leverages its vertically integrated core technical capabilities spanning product design and development, algorithm research, and system integration to deepen its strategic footprint across two major tracks: autonomous driving and robotics and embodied intelligence. The Company provides comprehensive, full-scenario autonomous driving solutions for automotive OEMs, covering both new energy and traditional fuel-powered vehicles. Simultaneously, through collaboration with industry partners, it has co-developed the iRC100, the world's first general-purpose robot controller powered by a domestically produced Chinese chip. By utilizing a fully independent and controllable technology stack, iMotion empowers the large-scale commercialization of embodied intelligence, establishing a cross-domain technological ecosystem and comprehensive support capabilities that drive robust momentum for the integrated development of intelligent mobility and intelligent robotics industries.



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Case

Launched the world's first domestically developed chip-based universal robot controller, iRC100

In 2025, iMotion officially launched and delivered the iRC100, the world's first general-purpose robot controller powered by a domestically developed Chinese chip. Built on Digu Robotics' S100P platform, the iRC100 adopts an integrated cerebrum and cerebellum architecture and delivers a full stack solution spanning foundational software and hardware environments to complete functional deployment, targeting the large scale commercial application of embodied intelligence. The official launch and completion of the first delivery of the iRC100 marks a key milestone for iMotion in advancing platform-based, productized, and scalable development of robot controllers, laying a solid foundation for the Company to further expand its applications in embodied intelligence and accelerate the implementation of integrated robotics software and hardware solutions.



iRC100, the world's first general-purpose robot controller powered by a domestically developed Chinese chip

Smart Mobility

Intelligent driving solutions are the core business of iMotion. While continuously refining our products and algorithm capabilities, we actively collaborate and exchange insights with industry partners to jointly advance solution upgrades, market expansion, and mass production. In 2025, the Company signed a strategic cooperation agreement with Horizon Robotics to deepen collaboration in automotive intelligence technologies and products. The iDC500 product, based on the Journey 6 series, progressed steadily in development and achieved mass production in April of the same year. In addition, in the field of smart mobility, we have primarily launched products such as iFC4.0, iDC310, and iDC510, delivering an integrated “drive-park-charge” solution that combines assisted driving with embodied intelligence collaboration, helping users enjoy a new travel experience that is safe, reliable, intelligent, convenient, efficient, and comfortable.



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Intellectual Property Protection

The Company strictly complies with laws and regulations such as *the Patent Law of the People's Republic of China* and *the Intellectual Property Law of the People's Republic of China*, formulates and thoroughly implements internal system documents including *the Enterprise Intellectual Property Management Measures*, *the Enterprise Intellectual Property Risk Management Control Procedures*, *the Enterprise Intellectual Property Incentive and Disciplinary System*, and *the Intellectual Property Maintenance Control Procedures*. It clearly defines the scope of intellectual property, continuously optimizes management standards related to intellectual property, strengthens intellectual property risk control capabilities, raises the standards for intellectual property authorization, reinforces quality control at all stages, and proactively plans measures to address patent infringement. In 2025, we conducted activities centered on intellectual property. Five Specialized training and awareness campaigns were conducted to continuously strengthen employees' awareness of intellectual property protection and enhance their professional capabilities in areas such as patent portfolio planning, trademark management, copyright compliance, and risk prevention. These initiatives guide employees to voluntarily comply with intellectual property-related policies and effectively integrate IP protection into daily work and the entire process of business innovation. To encourage employees to protect the Company's intellectual property, a total reward amount of RMB13,500 was distributed in accordance with relevant company policies. In addition, the Company's main brand trademark "iMotion" and logo have been successfully registered, effectively avoiding risks such as intellectual property infringement. In 2025, iMotion held a total of 264 intellectual property assets, of which 143 were granted.



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3.2 Employee

3.2.1 Compliant Employment

The Company adheres to the principle of equal employment and strictly complies with laws and regulations such as *the Labor Law of the People's Republic of China* and *the Labor Contract Law of People's Republic of China*. We have established and thoroughly implemented internal company policies, including *the Employee Handbook* and *the Employee Employment Management Policy System*. We firmly resist and oppose any form of child labor and forced labor. Any violation shall be subject to strict accountability in accordance with applicable laws, regulations, and internal management policies, with corresponding disciplinary measures imposed to effectively safeguard employee rights and interests. We eliminate all forms of employment discrimination, ensuring that factors such as gender, age, race, religion, and disability do not affect job seekers' opportunities for recruitment and career development. We are committed to continuously building a diverse workforce and fostering an inclusive work environment. In 2025, there were no incidents of child labor or forced or compulsory labor.

We adhere to the principle of open and equal recruitment, establishing a talent utilization mechanism that emphasizes selecting the best candidates and matching talents to appropriate roles. Through various channels such as self-conducted hiring and internal referrals, we attract high-caliber talent from both domestic and international markets. The team has independently developed a visualized and intelligent talent assessment tool to systematically identify key positions and core personnel, supporting the Company in scientifically building a talent pipeline and reserving critical capabilities for long-term development. In 2025, the team achieved a recruitment completion rate of 93%, with zero expenditure on external headhunting services throughout the process, fully demonstrating the team's professional competence and resource efficiency in talent sourcing and selection, and continuously injecting high-quality talent into the organization.



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The Company continuously improves and refines its market-competitive compensation and benefits system, offering employees attractive remuneration and benefits packages. We implement incentive mechanisms such as a 13th-month salary, year-end bonuses, and intellectual property awards. We fully contribute to employees' statutory social insurance and housing fund (the "Five Insurances and One Fund") in accordance with the law, while also providing supplementary medical insurance, paid welfare leave, full-paid sick leave, family visitation leave, bereavement leave, parental leave, and high-temperature allowances, among other diverse benefits and care initiatives, effectively safeguarding employees' rights and interests. Meanwhile, the Company places high importance on employees' physical and mental well-being and work-life balance, actively building a platform for diverse cultural activities and regularly organizing various sports and cultural events (such as basketball and table tennis tournaments) to enrich employees' leisure time and foster a healthy, positive, harmonious, and cohesive working environment. On significant occasions such as International Women's Day, we present female employees with flowers and gifts and organize special events to genuinely protect their rights and cultivate a warm, inclusive, and positively harmonious corporate culture. While ensuring a seamless transition from the old site to the new headquarters, the Company has also advanced the implementation of supporting facilities such as dining halls, coffee shops, and fitness centers, transforming the headquarters into a strategic asset that attracts talent and enhances efficiency.

The Company consistently adheres to democratic communication and a people-centered approach, establishing a comprehensive, multi-dimensional employee communication system. Through employee meetings, informal interviews, and other formats, the Company sincerely listens to employee feedback. To facilitate open communication, the Company provides diverse channels for feedback, spanning face-to-face discussions, SMS, telephone, WeChat, Feishu, and email. Furthermore, the launch of the Feishu Online One-Service Desk establishes a barrier-free avenue for employees to raise concerns and express grievances. Leveraging these efficient channels, the Company implements standardized end-to-end management of employee requests and suggestions, including centralized intake, categorized handling, time-bound responses, and follow-up implementation. A supervision, review, and continuous improvement mechanism is established, with regular analysis and optimization of management practices to ensure every concern is acknowledged and every issue properly addressed, effectively guaranteeing efficient and fair resolution of employees' legitimate requests. In 2025, the employee satisfaction survey covered more than 80% of the Company's active employees, with a 100% employee response rate.



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IMotion Tech 2025 Annual Basketball Tournament



IMotion 2025 Annual Table Tennis Competition



Delivering flowers to female employees for International Women's Day



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Indicators		Unit	2025
Total number of employees		persons	564
Number of employees by type of employment	Full-time	persons	564
	Part-time	persons	0
by Level	Senior Management	persons	30
	Middle management	persons	36
	Junior employees	persons	497
by Gender	Male	persons	463
	Female	persons	101
by Age	Aged 30 or below	persons	172
	Aged 31-40	persons	338
	Aged 41-50	persons	51
	Aged above 50	persons	3
by Region	Mainland China	persons	549
	Hong Kong, Macao, Taiwan and overseas regions	persons	15
Employee turnover rate		%	24.89
by Gender	Male	%	24.41
	Femal	%	26.73
by Age	Aged 30 or below	%	26.74
	Aged 31-40	%	24.56
	Aged 41-50	%	21.57
	Aged above 50	%	0
by Region	Mainland China	%	25.5
	Hong Kong, Macao, Taiwan and overseas regions	%	13.33
Employee Compensation and Benefits	Social insurance coverage	%	100
	Employee Satisfaction	%	82.9



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3.2.2 Occupational Health and Safety

The Company strictly complies with laws and regulations such as the *Law of the People's Republic of China on Work Safety* and the *Law of the People's Republic of China on Prevention and Control of Occupational Diseases*, and has established a comprehensive occupational health and safety management system. In 2025, we continued to enhance our health management framework. All employees are required to undergo pre-employment medical examinations prior to commencing work, with associated costs fully reimbursed by the Company. Regular health examinations are organized for active employees, and labor protection supplies, including anti-static footwear and apparel as well as summer and winter work uniforms, are distributed uniformly to effectively safeguard employee health and occupational safety. In 2025, the Company recorded zero work-related fatalities.

Indicators	Unit	2025
Deaths due to work injury in the last three years	persons	0
Lost days due to work injury	days	0
Employee health examination coverage rate	%	100

3.2.3 Employee Training and Development

The Company values talent development and provides employees with customized, diversified training programs to create a supportive environment, helping them steadily advance in personal capability enhancement and career development. Employees can freely choose from the Company's career advancement pathways (management track or technical track) based on their individual circumstances and needs.

We continue to enhance our training organizational capabilities and optimize training resources, aligning content with employees' personal development needs and consistently updating programs to effectively support career advancement. Meanwhile, the Company provides equal development opportunities, offering new hires and recent graduates dedicated onboarding training programs and development initiatives. In 2025, the Company actively encourages employees to pursue higher education and professional certifications by establishing a reward mechanism for academic advancement, providing eligible employees with corresponding incentives. This fosters a positive environment of lifelong learning and shared growth, supporting both employee and corporate high-quality development.



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Indicators		Unit	2025
Employee development and Training	Total employees trained	attendances	4,362
	Total training hours of employees	hour	3,873
	Percentage of employees trained to total employees	%	90
Percentage of employees trained by gender	Male	%	82
	Female	%	18
Percentage of employees trained by employee category	Senior Management	%	5.5
	Middle management	%	6.5
	Junior employees	%	88
Average training hours by gender	Male	hours	3,176
	Female	hours	697
Average training hours by employee category	Senior Management	hours	213
	Middle management	hours	252
	Junior employees	hours	3,408

3.3 Responsible Supply Chain

IMotion adheres to *the Tendering and Bidding Law of the People's Republic of China, the Regulations on the Implementation of the Tendering and Bidding Law of the People's Republic of China*, and other applicable laws and regulations. The Company has established the *Supplier Management Standard Procedures*, embedding ESG management principles and requirements throughout the entire supply chain lifecycle. Through ongoing policy refinement and digital empowerment, the Company continuously elevates its supply chain management standards and strengthens its stable and reliable supply chain framework.



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The Company places significant emphasis on supplier quality management and has formulated and implemented the *Supplier Quality Management Standards*. Supplier oversight extends across the entire lifecycle, covering supplier qualification, technical evaluation, project development, pilot production, mass production and delivery, change management, and continuous improvement. This approach enables the systematic identification of potential environmental and social risks throughout the supply chain. At the supplier onboarding stage, the Company requires suppliers to conduct self-assessments based on the *Candidate Supplier Self-Assessment Report*. Upon receipt of the assessment results, the Company will dispatch an audit team to conduct on-site evaluations and certifications at the supplier's premises. Through potential supplier surveys, PSA audits, technical reviews, and sourcing decisions, the team will assess key risk areas such as the supplier's quality management system, production process capability, and environmental compliance. Only after all audits are successfully completed will the supplier be confirmed as a cooperative partner. Throughout the course of the collaboration, the Company actively standardizes supplier conduct by explicitly requiring suppliers to strictly use materials that meet national environmental protection requirements and relevant quality standards, ensuring that sold products do not cause any pollution or harm to the environment. The Company implements dynamic control over key processes including raw material compliance, manufacturing, warehousing and transportation, outsourced processing, and change management. It focuses particularly on indicators such as product batch pass rate, component defect rate, quality anomaly response, on-time delivery performance, and whether environmentally friendly materials meet customer and regulatory requirements. The relevant results are incorporated into supplier performance evaluations and risk classification management, serving as a critical basis for subsequent guidance, corrective actions, re-audits, and adjustments to supplier qualification status.



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Supplier Classification and Admission Criteria:

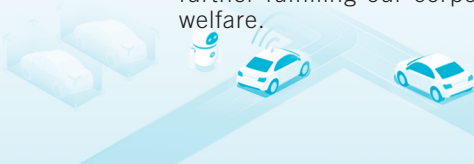
Supplier Classification	Admission Criteria
Material Supplier	Key material manufacturers involved in automotive-grade projects must be certified under the IATF16949 quality management system, while non-key material manufacturers must be certified under at least the ISO9001 quality management system.
Software vendor	Automotive-grade projects should prioritize suppliers with CMMI or A-SPICE certification.
MRO supplier	Business license, invoicing information, and relevant qualification certificates need to be collected.
ODM supplier	The IATF16949 quality management system is required.
Agent	Meet well-known domestic and international agents and obtain original manufacturer agency certificates or proof.
Custom Parts Supplier	Priority will be given to suppliers with independent mold design and open experience.
Supplier for information security and functional safety	Passed the Company's internal information security/functional safety related reviews.

The Company actively promotes green procurement by prioritizing suppliers with better environmental performance when there is no significant difference in product quality, thereby encouraging suppliers to improve their green production practices and jointly advance the implementation of green procurement strategies.

Meanwhile, the Company has established a supplier performance monitoring mechanism covering "quality, cost, delivery, service," as well as environmental and social responsibility performance. By integrating measures such as annual audits, process audits, product audits, PPAP approval, change request approval, and early production containment, the Company continuously monitors supplier performance and risk control. For high-risk suppliers or high-risk components, the Company increases audit frequency and drives closed-loop issue resolution through corrective action plans, on-site re-audits, progress tracking, targeted coaching, and continuous improvement initiatives. Suppliers failing to meet standards will be subject to corrective actions within a defined timeframe, dynamic downgrading, suspension of cooperation, or elimination and replacement, based on evaluation results. Additionally, through measures such as signing quality assurance agreements, the Company urges suppliers to consistently comply with requirements regarding ethical operations, employee health and safety, process stability, and green production, thereby continuously improving environmental and social responsibility management across the supply chain.

3.4 Community Development and Contribution

The Company has always placed great importance on fulfilling its social responsibilities, with its social welfare activities primarily focusing on the environmental protection, cultural, and sports sectors. In 2025, the Company put its environmental protection philosophy into practice by organizing employees to collect recyclable waste such as cardboard boxes and selling the proceeds from the sale of waste items. The total volunteer service hours of employees reached 20 hours. In the future, we will build our volunteer team and, in combination with public welfare areas such as environmental protection and community care, plan and carry out regular volunteer activities to encourage more employees to participate in public service, further fulfilling our corporate social responsibility and spreading positive energy for public welfare.



Environmental, Social and Governance Report

APPENDIX

Appendix 1 Key Performance Table

Dimension	level	Key Performance Indicators	Indicator Unit	2025
Environment	Exhaust gas	Exhaust emissions	tonnes	0.24
		Intensity of exhaust emissions	tonnes/10,000 sets	0.006
		Particulate matter	tonnes	0.13
	Hazardous waste	SnO ₂	tonnes	0.11
		Total hazardous waste	tonnes	1.70
		Intensity of hazardous waste discharge	tonnes/10,000 sets	0.04
		Waste activated carbon	tonnes	0.22
		Waste rag	tonnes	0.20
		Waste board edge	tonnes	0.92
		Waste organic solvent	tonnes	0.17
		Waste chemical packaging containers	tonnes	0.19
	Non-hazardous waste	Total discharge of non-hazardous waste	tonnes	4.32
		Intensity of non-hazardous waste discharge	tonnes/10,000 sets	0.11
		Total waste plastics (PET, etc.)	tonnes	0.17
		Total waste metal	tonnes	0.00
		Total waste packaging	tonnes	3.03
		Cardboard box	tonnes	1.11
		Plastic packaging	tonnes	0.003
	Water management	Total water consumption	tonnes	21,569.53
		Intensity of water consumption	tonnes/10,000 sets	555.57
	Use of resources	Total energy consumption	tonne of standard coal	505.29
		Intensity of energy consumption	tonnes of standard coal/10,000 sets	13.01
	Greenhouse gas ¹	Electricity consumption	kWh	411.14
Electricity consumption intensity		kWh/person	10.59	
Greenhouse gas emissions		tCO ₂ e	2,181.49	
Packaging material	Greenhouse gas emission intensity	tCO ₂ e/10,000 sets	56.19	
	Packaging material consumption	tonnes	17.21	
		Intensity of packaging materials consumption	tonnes/10,000 sets	0.44

¹ In 2025, the Company's greenhouse gas emissions are mainly indirect (Scope 2) greenhouse gas emissions generated from the use of purchased electricity. The greenhouse gas emission factor for purchased electricity was referenced from the *2023 China Average Power Grid CO₂ Emission Factor*.



Environmental, Social and Governance Report

Dimension	level	Key Performance Indicators	Indicator Unit	2025
Society	Employment-related by Gender	Total number of employees	persons	564
		Male	persons	463
	by Type	Female	persons	101
		Full time	persons	564
	by Age	Part time	persons	0
		Aged 30 or below	persons	172
		Aged 31-40	persons	338
		Aged 41-50	persons	51
	by Level	Aged above 50	persons	3
		Senior management	persons	30
		Middle management	persons	36
	by Region	Junior employee	persons	497
		Employees in Mainland China	persons	549
		Hong Kong, Macau, Taiwan and Overseas regions	persons	15
	Other Employee Data	Number of minority employees	persons	13
	Employee turnover rate by Gender	Employee turnover rate	%	24.89
		Male	%	24.41
	by Age	Female	%	26.73
		Aged 30 or below	%	26.74
		Aged 31-40	%	24.56
		Aged 41-50	%	21.57
	by Region	Aged above 50	%	0
		Employees in Mainland China	%	25.5
		Hong Kong, Macau, Taiwan and Overseas regions	%	13.33
	Staff Development and Training	Total employees trained	attendances	4,362
		Total training hours of employees	hours	3,873
		Percentage of employees trained	%	90
	Percentage of employees trained, by gender	Male	%	82
		Female	%	18
	Percentage of employees trained by employee category	Senior Management	%	5.5
		Middle management	%	6.5
		Junior employee	%	88
	Average training hours by gender	Male	hours	3,176
Female		hours	697	
Average training hours by employee category	Senior Management	hours	213	
	Middle management	hours	252	
	Junior employee	hours	3,408	
Employee Health and Safety	Employee medical check-up rate	%	100	
	Deaths due to work in last three years	persons	0	
	Number of working days lost due to work related injuries	days	0	
Employee Compensation and Benefits	Social insurance coverage	%	100	
	Employee Satisfaction rate	%	82.9	



Environmental, Social and Governance Report

Dimension	level	Key Performance Indicators	Indicator Unit	2025
Governance	Product Responsibility	Product and service complaints received	cases	5
		Customer complaint response rate	%	100
		Number of products recalled for safety and health reasons	pieces	0
		Percentage of product recalls	%	0
	Supply Chain Management	Number of intellectual property rights	pieces	264
		Total number of suppliers	entities	77
		Number of suppliers in mainland China	entities	67
		Number of suppliers from Hong Kong, Macao and Taiwan	entities	6
	Community Investment	Number of suppliers from overseas	entities	4
		Number of volunteers	persons	5
		Volunteer service hours	hours	20
	Anti-corruption	Number of corruption lawsuits	cases	1
		Number of directors attending anti corruption training	persons	4
		Number of employees participating in anti-corruption training	persons	500
		The average number of hours directors attended anti-corruption training	hours	1
		The average number of hours employees attended anti-corruption training	hours	1



Environmental, Social and Governance Report

Appendix 2 Index of the Hong Kong Stock Exchange Environmental, Social and Governance Reporting Guide

Environmental, Social, and Governance (ESG) Areas, General Disclosures, and Key Performance Indicators (KPIs)			Section
Environment			
Aspect A1: emissions	General Disclosure	Information on: a) the policies; and b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to air and greenhouse gas emissions, discharges into water and land, and generation of hazardous and non-hazardous waste.	2.1 Environmental and Waste Management
	A1.1	The types of emissions and respective emissions data.	2.1 Environmental and Waste Management
	A1.3	Total hazardous waste produced and, where appropriate, intensity.	2.1.2 Hazardous Waste Appendix 1 Key Performance Table
	A1.4	Total non-hazardous waste produced and, where appropriate, intensity.	2.1.3 Non-hazardous Waste Appendix 1 Key Performance Table
	A1.5	Description of emissions target(s) set and steps taken to achieve them.	2.1 Environmental and Waste Management
	A1.6	Description of how hazardous and non-hazardous wastes are handled, and a description of reduction target(s) set and steps taken to achieve them.	2.1.2 Hazardous Waste 2.1.3 Non-hazardous Waste
	Aspect A2: Use of Resources	General Disclosure	Policies on the efficient use of resources, including energy, water and other raw materials.
A2.1		Direct and/or indirect energy consumption by type (e.g. electricity, gas or oil) in total and intensity.	2.2 Resource Management Appendix 1 Key Performance Table
A2.2		Water consumption in total and intensity.	2.2 Resource Management Appendix 1 Key Performance Table
A2.3		Description of energy use efficiency target(s) set and steps taken to achieve them.	2.2 Resource Management
A2.4		Describe any issues regarding the identification of suitable water sources, as well as the established water efficiency targets and the steps taken to achieve these targets.	2.2 Resource Management
A2.5		Total packaging material used for finished products (in tonnes) and, if applicable, with reference to per unit produced.	2.2 Resource Management Appendix 1 Key Performance Table



Environmental, Social and Governance Report

Environmental, Social, and Governance (ESG) Areas, General Disclosures, and Key Performance Indicators (KPIs)			Section
Aspect A3: The Environment and Natural Resources	General Disclosure	Policies on minimizing the issuer's significant impacts on the environment and natural resources.	Not available
	A3.1	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.	Not available
Society Aspect B1: Employment	General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare.	3.2.1 Compliant Employment
	B1.1	Total workforce by gender, employment type, age group and geographical region.	3.2.1 Compliant Employment
	B1.2	Employee turnover rate by gender, age group and geographical region.	3.2.1 Compliant Employment
Aspect B2: Health and Safety	General Disclosure	Information on: a) the policies; and b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to providing a safe working environment and protecting employees from occupational hazards.	3.2.2 Occupational Health and Safety
	B2.1	Number and rate of work-related fatalities occurred in each of the past three years including the reporting year.	3.2.2 Occupational Health and Safety Appendix 1 Key Performance Table
	B2.2	Lost days due to work injury.	3.2.2 Occupational Health and Safety Appendix 1 Key Performance Table
	B2.3	Description of occupational health and safety measures adopted, and how they are implemented and monitored.	3.2.2 Occupational Health and Safety



Environmental, Social and Governance Report

Environmental, Social, and Governance (ESG) Areas, General Disclosures, and Key Performance Indicators (KPIs)			Section
Aspect B3: Development and Training	General Disclosure	Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities.	3.2.3 Employee Training and Development
	B3.1	The percentage of employees trained by gender and employee category.	3.2.3 Employee Training and Development Appendix 1 Key Performance Table
	B3.2	The average training hours completed per employee by gender and employee category.	3.2.3 Employee Training and Development Appendix 1 Key Performance Table
Aspect B4: Labor Standards	General Disclosure	Information on: a) the policies; and	3.2.1 Compliant Employment
		b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to preventing child and forced labour.	
	B4.1	Description of measures to review employment practices to avoid child and forced labour.	3.2.1 Compliant Employment
	B4.2	Description of steps taken to eliminate such practices when discovered.	3.2.1 Compliant Employment
Aspect B5: Supply Chain Management	General Disclosure	Policies on managing environmental and social risks of the supply chain.	3.3 Responsible Supply Chain
	B5.1	Number of suppliers by geographical region.	3.3 Responsible Supply Chain Appendix 1 Key Performance Table
	B5.2	Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, and how they are implemented and monitored.	3.3 Responsible Supply Chain
	B5.3	Description of practices used to identify environmental and social risks along the supply chain, and how they are implemented and monitored.	3.3 Responsible Supply Chain
	B5.4	Description of practices used to promote environmentally preferable products and services when selecting suppliers, and how they are implemented and monitored.	3.3 Responsible Supply Chain



Environmental, Social and Governance Report

Environmental, Social, and Governance (ESG) Areas, General Disclosures, and Key Performance Indicators (KPIs)			Section
Aspect B6: Product Liability	General Disclosure	Information on: a) the policies; and b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to health and safety, advertising, labelling, and privacy matters relating to products and services provided and methods of redress.	3.2.1 Product Quality and Safety
	B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons.	3.2.1 Product Quality and Safety Appendix 1 Key Performance Table
	B6.2	Number of products and service related complaints received and how they are dealt with.	3.2.2 Customer Relationship Management Appendix 1 Key Performance Table
	B6.3	Description of practices relating to observing and protecting intellectual property rights.	3.3.3 R&D and Technological Innovation
	B6.4	Description of quality assurance process and recall procedures.	3.3.1 Product Quality and Safety 3.3.2 Customer Relationship Management
	B6.5	Description of consumer data protection and privacy policies, and how they are implemented and monitored.	3.3.2 Customer Relationship Management
Aspect B7: Anti-corruption	General Disclosure	Information on: a) the policies; and b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to bribery, extortion, fraud and money laundering.	1.2 Business Ethics and Anti-Corruption
	B7.1	Number of concluded legal cases regarding corrupt practices brought against the issuer or its employees during the reporting period and the outcomes of the cases.	1.2 Business Ethics and Anti-Corruption Appendix 1 Key Performance Table
	B7.2	Description of preventive measures and whistle-blowing procedures, and how they are implemented and monitored.	1.2 Business Ethics and Anti-Corruption
	B7.3	Description of anti-corruption training provided to directors and staff.	1.2 Business Ethics and Anti-Corruption
Aspect B8: Community Investment	General Disclosure	Policies on community engagement to understand the needs of the communities where the issuer operates and to ensure its activities take into consideration the communities' interests.	3.4 Community Development and Contribution
	B8.1	Focus areas of contribution.	3.4 Community Development and Contribution
	B8.2	Resources contributed to the focus area.	3.4 Community Development and Contribution



Environmental, Social and Governance Report

Climate-related Disclosure Indicators		Section
Governance	Disclose the governing body or individual responsible for oversight of climate-related risks and opportunities, including how competency is available, the frequency and manner of being informed about risks and opportunities, how they are considered in decision-making, oversight of target setting and progress towards targets, as well as the management's role in relevant processes and integration with internal functions.	2.3 Responding to climate change
Strategy – Business model and value chain	Describe the current and anticipated effects of climate-related risks and opportunities on the business model and value chain, identifying areas of concentration.	2.3 Responding to climate change
Strategy – Strategy and decision-making	Disclose strategies and plans to address risks and opportunities, including changes to the business model, adaptation or mitigation efforts, transition plans, methods to achieve climate targets, plans of resource allocation for actions, and progress against previous plans.	2.3 Responding to climate change
Strategy – Financial position, financial performance and cash flows	Disclose the current and anticipated financial impacts of climate-related risks and opportunities on the issuer's financial position, financial performance, and cash flows during the reporting period.	2.3 Responding to climate change
Strategy – Resilience	Disclose the Company's assessment of its climate resilience and the conduct of climate-related scenario analysis.	2.3 Responding to climate change
Risk Management	Disclose the processes and policies used to identify, assess, prioritise, and monitor climate-related risks and opportunities, as well as how these risks and opportunities are integrated into the company's overall risk management framework.	2.3 Responding to climate change
Metrics and Targets – Greenhouse gas emissions	Disclose the absolute gross greenhouse gas emissions for Scope 1, Scope 2, and Scope 3 during the reporting period. The disclosure should specify the measurement methodologies, input data, assumptions, and reasons for any changes. Additionally, disclose Scope 2 emissions using the location-based method and indicate the categories included in Scope 3.	2.3 Responding to climate change
Metrics and Targets – Climate-related targets	Disclose qualitative and quantitative climate-related targets, including metrics used to set the target, purpose, scope of application, time frame, baseline period, interim targets, target type, and linkage to international agreements. Disclose the methodology for setting and reviewing targets, metrics for monitoring progress toward targets, and analysis of target performance and trends. For greenhouse gas emission targets, disclose the types of gases covered, scope, and gross or net target amount.	2.3 Responding to climate change



Independent Auditor's Report



Independent auditor's report to the shareholders of iMotion Automotive Technology (Suzhou) Co., Ltd.
(Incorporated in the People's Republic of China with limited liability)

OPINION

We have audited the consolidated financial statements of iMotion Automotive Technology (Suzhou) Co., Ltd. ("the Company") and its subsidiaries ("the Group") set out on pages 120 to 198, which comprise the consolidated statement of financial position as at 31 December 2025, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended and notes, comprising material accounting policy information and other explanatory information.

In our opinion, the consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31 December 2025 and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with IFRS Accounting Standards issued by the International Accounting Standards Board ("IASB") and have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

BASIS FOR OPINION

We conducted our audit in accordance with Hong Kong Standards on Auditing ("HKSA") as issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA"). Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the consolidated financial statements* section of our report. We are independent of the Group in accordance with the HKICPA's *Code of Ethics for Professional Accountants* ("the Code"), as applicable to audits of financial statements of public interest entities. We have also fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.



Independent Auditor's Report

KEY AUDIT MATTER

Key audit matter is the matter that, in our professional judgement, was of most significance in our audit of the consolidated financial statements of the current period. This matter was addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on this matter.

Revenue Recognition

Refer to Note 5 to the financial statements and the accounting policies on note 2.24

The Key Audit Matter	How the matter was addressed in our audit
<p>The Group's revenue principally comprises sales of advanced driver assistance products and solutions and provision of research and development services relating to advanced driver assistance (referred as advanced driver assistance products, solutions and services).</p>	<p>Our audit procedures to assess the recognition of revenue included the following:</p>
<p>Revenue of advanced driver assistance products, solutions and services are recognised at a point in time when control of the underlying products or deliverables have been transferred to the customers.</p>	<ul style="list-style-type: none"> obtaining an understanding of and assessing the design, implementation and operating effectiveness of key internal controls in relation to revenue recognition of advanced driver assistance products, solutions and services;
<p>We identified the recognition of revenue of advanced driver assistance products, solutions and services as a key audit matter because there are many varieties of contract terms and revenue is one of the key performance indicators of the Group and there is inherent risk that revenue could be recognised in the incorrect period or could be subject to manipulation.</p>	<ul style="list-style-type: none"> inspecting sales contracts with customers, on a sample basis, to identify performance obligations and terms and conditions relating to the transfer of control of the goods or services and assessing whether the related revenue was recognised with reference to the requirements of prevailing accounting standards; inspecting, on a sample basis, sales contracts, goods acceptance notes, service settlement report and invoices ("underlying documentation") for revenue transactions recorded before and after the financial year-end date, to assess whether the related revenue had been recognised in the appropriate financial period; inspecting, on a sample basis, underlying documentation of revenue transactions recorded during the year to assess whether the revenue was recognised in accordance with the Group's revenue recognition accounting policies; obtaining confirmations, on a sample basis, from customers to confirm the sales transactions during the year and debtor balances as at the financial year end. For unreturned confirmations, performing alternative procedures by comparing the details of the transactions with underlying documentation; and inspecting sales journals during the financial year that met certain risk-based criteria and comparing details of these journals with the relevant underlying documents.



Independent Auditor's Report

INFORMATION OTHER THAN THE CONSOLIDATED FINANCIAL STATEMENTS AND AUDITOR'S REPORT THEREON

The directors are responsible for the other information. The other information comprises all the information included in the annual report, other than the consolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

RESPONSIBILITIES OF THE DIRECTORS FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The directors are responsible for the preparation of the consolidated financial statements that give a true and fair view in accordance with IFRS Accounting Standards as issued by the IASB and the disclosure requirements of the Hong Kong Companies Ordinance and for such internal control as the directors determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the directors are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

The directors are assisted by the Audit Committee in discharging their responsibilities for overseeing the Group's financial reporting process.



Independent Auditor's Report

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. This report is made solely to you, as a body, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with HKSA's will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with HKSA's, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the group as a basis for forming an opinion on the group financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.



Independent Auditor's Report

We communicate with the Audit Committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Audit Committee with a statement that we have complied with relevant ethical requirements regarding independence and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence and, where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the Audit Committee, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditor's report is Yue Tat Wai (practising certificate number: P06438).

KPMG

Certified Public Accountants

8th Floor, Prince's Building
10 Chater Road
Central, Hong Kong

27 March 2026



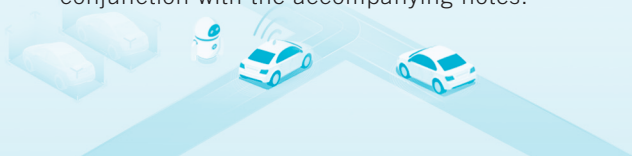
Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the year ended 31 December 2025

(Expressed in RMB)

	Note	Year ended 31 December	
		2025 RMB'000	2024 RMB'000
Revenue	5	1,000,571	1,247,721
Cost of sales		(985,333)	(1,156,895)
Gross profit		15,238	90,826
Selling expenses		(18,386)	(30,393)
Administrative expenses		(80,319)	(57,497)
Research and development expenses	8(b)	(322,784)	(280,651)
Impairment losses on financial assets		(6,366)	(9,418)
Impairment losses on non-current assets	8(b)	(5,716)	–
Other income	6	6,086	5,908
Other losses – net	7	(9,595)	(6,969)
Operating loss		(421,842)	(288,194)
Finance income	8(a)	11,027	5,109
Finance costs	8(a)	(5,740)	(5,254)
Finance income/(costs) – net		5,287	(145)
Loss before income tax		(416,555)	(288,339)
Income tax expense	10	84	–
Loss for the year		(416,471)	(288,339)
Attributable to:			
Equity shareholders of the Company		(415,828)	(288,339)
Non-controlling interests		(643)	–
Loss for the year		(416,471)	(288,339)
Other comprehensive income:			
Items that may be subsequently reclassified to profit or loss			
Currency translation differences		158	17
Loss and total comprehensive loss for the year		(416,313)	(288,322)
Attributable to:			
Equity shareholders of the Company		(415,670)	(288,322)
Non-controlling interests		(643)	–
Loss and total comprehensive loss for the year		(416,313)	(288,322)
Loss per share attributable to the equity shareholders of the Company (in RMB)			
Basic and diluted loss per share	11	(1.70)	(1.27)

The above consolidated statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes.



Consolidated Statement of Financial Position

For the year ended 31 December 2025

(Expressed in RMB)

	Note	As at 31 December 2025 RMB'000	2024 RMB'000
Assets			
Non-current assets			
Property, plant and equipment	14	433,303	308,486
Right-of-use assets	13	30,315	33,991
Intangible assets	15	74,277	38,004
Financial assets at fair value through profit or loss	21	10,000	4,778
Other non-current assets	16	24,566	26,409
		572,461	411,668
Current assets			
Inventories	17	291,543	298,943
Other current assets	20	48,647	93,400
Trade and notes receivables	18	232,080	222,121
Financial assets at fair value through other comprehensive income	19	30,012	95,768
Financial assets at fair value through profit or loss	21	300,468	223,908
Restricted cash	22	62	34,000
Cash and cash equivalents	22	260,699	181,114
		1,163,511	1,149,254
Total assets		1,735,972	1,560,922
Equity			
Share capital	23	252,636	230,757
Reserves	24	1,538,404	1,181,008
Accumulated losses		(924,569)	(508,741)
Total equity attributable to equity shareholders of the Company		866,471	903,024
Non-controlling interests		4,094	–
Total equity		870,565	903,024



Consolidated Statement of Financial Position

For the year ended 31 December 2025
(Expressed in RMB)

	Note	As at 31 December 2025 RMB'000	2024 RMB'000
Liabilities			
Non-current liabilities			
Borrowings	28	298,614	170,173
Lease liabilities	13	–	548
Provisions	29	7,429	7,983
Deferred income	30	3,280	3,066
Deferred tax liabilities		2,421	–
		311,744	181,770
Current liabilities			
Trade payables	31	160,588	114,918
Other payables and accruals	32	190,716	186,555
Contract liabilities	5	16,290	22,289
Borrowings	28	179,680	144,725
Lease liabilities	13	974	2,949
Provisions	29	5,415	4,692
		553,663	476,128
Total liabilities		865,407	657,898
Total equity and liabilities		1,735,972	1,560,922
Net current assets		609,848	673,126

The above consolidated financial position should be read in conjunction with the accompanying notes.

Approved and authorised for issue by the board of directors on 27 March 2026.

Director

General Manager of Finance



Consolidated Statement of Changes in Equity

For the year ended 31 December 2025

(Expressed in RMB)

	Note	Attributable to equity shareholders of the Company			Non-controlling interests RMB'000	Total equity RMB'000	
		Share capital RMB'000	Reserves RMB'000	Accumulated losses RMB'000			
As at 1 January 2025		230,757	1,181,008	(508,741)	903,024	-	903,024
Loss for the year		-	-	(415,828)	(415,828)	(643)	(416,471)
Other comprehensive loss		-	(158)	-	(158)	-	(158)
Provision of safety fund surplus reserve	24	-	422	(422)	-	-	-
Utilisation of safety fund surplus reserve	24	-	(422)	422	-	-	-
		230,757	1,180,850	(924,569)	487,038	(643)	486,395
Transactions with the equity shareholders of the Company							
Placing of new shares	23, 24	26,686	393,788	-	420,474	-	420,474
Shares acquired for Share Award Scheme	24	(4,434)	(38,766)	-	(43,200)	-	(43,200)
Shares vested for Share Award Scheme	24	401	5,804	-	6,205	-	6,205
Repurchase of ordinary shares		(774)	(3,272)	-	(4,046)	-	(4,046)
Acquisition of subsidiaries with non-controlling interests		-	-	-	-	4,737	4,737
		21,879	357,554	-	379,433	4,737	384,170
As at 31 December 2025		252,636	1,538,404	(924,569)	866,471	4,094	870,565
	Note	Share capital RMB'000	Reserves RMB'000	Accumulated losses RMB'000	Total RMB'000		
As at 1 January 2024		226,330	1,117,780	(220,402)	1,123,708		
Loss for the year		-	-	(288,339)	(288,339)		
Other comprehensive loss		-	17	-	17		
Provision of safety fund surplus reserve	24	-	267	(267)	-		
Utilisation of safety fund surplus reserve	24	-	(267)	267	-		
		226,330	1,117,797	(508,741)	835,386		
Transactions with the equity shareholders of the Company							
Placing of new shares	23, 24	4,427	63,211	-	67,638		
		4,427	63,211	-	67,638		
As at 31 December 2024		230,757	1,181,008	(508,741)	903,024		

The above consolidated statement of changes in equity should be read in conjunction with the accompanying notes.



Consolidated Statement of Cash Flows

For the year ended 31 December 2025

(Expressed in RMB)

	Note	Year ended 31 December	
		2025 RMB'000	2024 RMB'000
Cash flows from operating activities			
Net cash used in operations	33	(186,327)	(410,092)
Interest received from cash at banks	8	11,027	5,109
Net cash used in operating activities		(175,300)	(404,983)
Cash flows from investing activities			
Payments for property, plant and equipment		(191,837)	(180,340)
Payments for intangible assets		(30,768)	(38,376)
Proceeds from sale of property, plant and equipment		1,790	2
Proceeds from disposals of financial assets at fair value through profit or loss		923,105	1,190,954
Payments for financial assets at fair value through profit or loss		(972,016)	(1,223,358)
Acquisition of subsidiaries, net of cash acquired	33(e)	(6,611)	–
Loans to directors		–	(13,700)
Loans and interests repaid by a director		11,097	–
Net cash used in investing activities		(265,240)	(264,818)
Cash flows from financing activities			
Proceeds from contributions from equity shareholders	23, 24	420,474	67,638
Payments of lease liabilities	33(d)	(3,514)	(4,226)
Repayments of borrowings	33(d)	(154,500)	(308,458)
Proceeds from borrowings	33(d)	317,864	397,473
Interest paid for borrowings	33(d)	(9,209)	(7,248)
Payments for shares purchased under Share Award Scheme		(43,200)	–
Payments for purchase of own shares		(4,046)	–
Payments for listing expenses		–	(18,020)
Net cash generated from financing activities		523,869	127,159
Net increase/(decrease) in cash and cash equivalents		83,329	(542,642)
Cash and cash equivalents at beginning of the year		181,114	720,453
Exchange (gains)/losses on cash and cash equivalents		(3,744)	3,303
Cash and cash equivalents at end of the year	22	260,699	181,114

The above consolidated statement of cash flows should be read in conjunction with the accompanying notes.



Notes to the Financial Statements

(Expressed in RMB unless otherwise indicated)

1 GENERAL INFORMATION

iMotion Automotive Technology (Suzhou) Co., Ltd. was incorporated in Suzhou on 27 December 2016 as a limited liability company. The address of its registered office is No.28 Ying qian Road, Industrial Park, Suzhou, Jiangsu Province, the PRC. Upon approval by the shareholders' general meeting held in November 2022, the Company was converted into a joint stock company with limited liability under the Company Law of the PRC and changed its registered name from "iMotion Automotive Technology (Suzhou) Co., Ltd. (知行汽車科技(蘇州)有限公司)" to "iMotion Automotive Technology (Suzhou) Co., Ltd. (知行汽車科技(蘇州)股份有限公司)" on 29 December 2022.

In December 2023, the Company successfully completed its initial public offering. The Company's H shares have been listed on The Main Board of The Stock Exchange of Hong Kong Limited since 20 December 2023.

The Company and its subsidiaries (together, "the Group") are principally engaged in the development, manufacturing and sale of advanced driver assistance solutions and products.

2 SUMMARY OF MATERIAL ACCOUNTING POLICIES

The material accounting policies applied in the preparation of the consolidated financial statements are set out below.

2.1 Basis of preparation

(i) *Statement of compliance*

These financial statements have been prepared in accordance with all applicable IFRS Accounting Standards, which collective term includes all applicable individual International Financial Reporting Standards, International Accounting Standards ("IASs") and Interpretations issued by the International Accounting Standards Board ("IASB"), and the disclosure requirements of the Hong Kong Companies Ordinance. These financial statements also comply with the applicable disclosure provisions of the Rules Governing the Listing of Securities ("Listing Rules") on the Stock Exchange. Material accounting policies adopted by the Group are disclosed below.

(ii) *Historical cost convention*

The consolidated financial statements have been prepared on a historical cost basis, except for financial assets at fair value through profit or loss, financial assets at fair value through other comprehensive income and derivative financial instruments that are measured at fair value.



Notes to the Financial Statements

(Expressed in RMB unless otherwise indicated)

2 SUMMARY OF MATERIAL ACCOUNTING POLICIES (Continued)

2.1 Basis of preparation (Continued)

(iii) New or amended standards adopted by the Group

The Group has applied amendments to HKAS 21, *The effects of changes in foreign exchange rates – Lack of exchangeability* issued by the HKICPA to these financial statements for the current accounting period. The amendments do not have a material impact on these financial statements as the Group has not entered into any foreign currency transactions in which the foreign currency is not exchangeable into another currency.

(iv) New or amended standards not yet adopted

Certain new accounting standards, amendments to accounting standards and interpretations have been published that are not mandatory for 31 December 2025 reporting periods and have not been early adopted by the Group. These standards, amendments or interpretations are not expected to have a material impact on the Group in the current or future reporting periods and on foreseeable future transactions.

Standards and amendments	Effective for accounting periods beginning on or after
IFRS 9 (Amendment) and IFRS 7 (Amendment) 'Classification and Measurement of Financial Instruments'	1 January 2026
Volume 11 'Annual Improvements to IFRS Accounting Standards'	1 January 2026
IFRS 18 'Presentation and Disclosure in Financial Statements'	1 January 2027
IFRS 19 'Subsidiaries without Public Accountability: Disclosures'	1 January 2027
IFRS 10 (Amendment) and IAS 28 (Amendment) 'Sale or contribution of Assets between an Investor and its Associate or Joint Venture'	To be determined

The Group has already commenced an assessment of the impact of these new or revised standards. According to the preliminary assessment made by the Group, no significant impact on the financial performance and positions of the Group is expected when they become effective.

2.2 Subsidiaries and non-controlling interests

Subsidiaries

Subsidiaries are entities controlled by the group. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date on which control commences until the date on which control ceases.

Intra-group balances and transactions, and any unrealised income and expenses (except for foreign currency transaction gains or losses) arising from intra-group transactions, are eliminated. Unrealised losses resulting from intra-group transactions are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.



Notes to the Financial Statements

(Expressed in RMB unless otherwise indicated)

2 SUMMARY OF MATERIAL ACCOUNTING POLICIES (Continued)

2.2 Subsidiaries and non-controlling interests (Continued)

Subsidiaries (Continued)

For each business combination, the Group can elect to measure any non-controlling interests (“NCI”) either at fair value or at the NCI’s proportionate share of the subsidiary’s net identifiable assets. NCI are presented in the consolidated statement of financial position within equity, separately from equity attributable to the equity shareholders of the Company. NCI in the results of the Group are presented on the face of the consolidated statement of profit or loss and the consolidated statement of profit or loss and other comprehensive income as an allocation of the total profit or loss and total comprehensive income for the year between NCI and the equity shareholders of the Company.

Changes in the Group’s interests in a subsidiary that do not result in a loss of control are accounted for as equity transactions.

When the Group loses control of a subsidiary, it derecognises the assets and liabilities of the subsidiary, and any related NCI and other components of equity. Any resulting gain or loss is recognised in profit or loss. Any interest retained in that former subsidiary is measured at fair value when control is lost.

In the Company’s statement of financial position, an investment in a subsidiary is stated at cost less impairment losses (see note 2.10), unless it is classified as held for sale (or included in a disposal group classified as held for sale). Cost includes direct attributable costs of investment. The results of subsidiaries are accounted for by the Company on the basis of dividend received and receivable.

Impairment testing of the investments in subsidiaries is required upon receiving a dividend from these investments if the dividend exceeds the total comprehensive loss of the subsidiary in the period the dividend is declared or if the carrying amount of the investment in the separate financial statements exceeds the carrying amount in the consolidated financial statements of the investee’s net assets including goodwill.

2.3 Associates and joint ventures

An associate is an entity in which the Group or the Company has significant influence, but not control or joint control, over the financial and operating policies. A joint venture is an arrangement in which the Group or the Company has joint control, whereby the Group or the Company has the rights to the net assets of the arrangement, rather than rights to its assets and obligations for its liabilities.

An interest in an associate or a joint venture is accounted for using the equity method, unless it is classified as held for sale (or included in a disposal group classified as held for sale). They are initially recognised at cost, which includes transaction costs. Subsequently, the consolidated financial statements include the Group’s share of the profit or loss and other comprehensive income (“OCI”) of those investees, until the date on which significant influence or joint control ceases.



Notes to the Financial Statements

(Expressed in RMB unless otherwise indicated)

2 SUMMARY OF MATERIAL ACCOUNTING POLICIES (Continued)

2.3 Associates and joint ventures (Continued)

When the Group's share of losses exceeds its interest in the associate or the joint venture, the Group's interest is reduced to nil and recognition of further losses is discontinued except to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the investee. For this purpose, the Group's interest is the carrying amount of the investment under the equity method, together with any other long-term interests that in substance form part of the Group's net investment in the associate or the joint venture, after applying the ECL model to such other long-term interests where applicable.

Unrealised gains arising from transactions with equity-accounted investees are eliminated against the investment to the extent of the Group's interest in the investee. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent there is no evidence of impairment.

In the Company's statement of financial position, an investment in an associate or a joint venture is stated at cost less impairment losses (see note 2.10), unless it is classified as held for sale (or included in a disposal group classified as held for sale).

2.4 Business combination

The Group accounts for business combination using the acquisition method when control is transferred to the Group. The consideration transferred in the acquisition is generally measured at fair value, which is calculated as the sum of the acquisition date fair values of the assets transferred by the Group, liabilities incurred by the Group to the former owners of the acquiree and the equity interests issued by the Group in exchange for control of the acquiree. Any goodwill that arises is tested annually for impairment. Any gain on a bargain purchase is recognised in profit and loss immediately. Transaction costs are expensed as incurred, except if related to the issue of debt or equity securities.

2.5 Derivative financial instruments

Derivative financial instruments are initially recognised at fair value on the date a derivative contract is entered into and are subsequently remeasured to their fair value at the end of each reporting period. Changes in fair value of derivative financial instruments are recognised in profit or loss.

2.6 Property, plant and equipment

Property, plant and equipment held for own use

Property, plant and equipment are stated at historical cost less accumulated depreciation and impairment losses. Historical cost includes expenditure that is directly attributable to the acquisition of the items.



Notes to the Financial Statements

(Expressed in RMB unless otherwise indicated)

2 SUMMARY OF MATERIAL ACCOUNTING POLICIES (Continued)

2.6 Property, plant and equipment (Continued)

Property, plant and equipment held for own use (Continued)

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to profit or loss during the report period in which they are incurred.

Depreciation is calculated using the straight-line method to allocate their costs, net of their residual values, over their estimated useful lives or, in the case of leasehold improvements, the shorter lease term as follows:

Buildings	26 years
Machineries and molds	5 – 10 years
Vehicles	5 years
Electronic equipment and others	3 – 5 years
Furniture	5 years
Leasehold improvements	Over the shorter of their expected useful lives and the lease terms

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount (Note 2.10).

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised within "other gains/(losses) – net" in the consolidated statement of comprehensive loss.

Construction in progress represents unfinished construction and equipment under construction or pending for installation, and is stated at cost less impairment losses. Cost comprises direct costs of construction including borrowing costs attributable to the construction during the period of construction. No provision for depreciation is made on construction in progress until such time as the relevant assets are completed and ready for intended use.

2.7 Intangible assets (other than goodwill)

(a) Purchased software

Acquired software is recognised at historical cost and subsequently carried at cost less accumulated amortisation and accumulated impairment losses. The Group's software is amortised on a straight-line basis over their estimated useful lives of 3 and 10 years.



Notes to the Financial Statements

(Expressed in RMB unless otherwise indicated)

2 SUMMARY OF MATERIAL ACCOUNTING POLICIES (Continued)

2.7 Intangible assets (other than goodwill) (Continued)

(b) Research and development (“R&D”)

Research and development cost comprise all costs that are directly attributable to research and development activities (relating to the design and testing of new or improved advanced driver assistance products) or that can be allocated on a reasonable basis to such activities. Research and development costs are recognised as intangible assets when the following criteria are met:

- the technical feasibility of completing the intangible assets so that it will be available for use or sale;
- the intention to complete the intangible asset and use or sell it;
- the ability to use or sell the intangible assets;
- the intangible asset will generate probable future economic benefits;
- the availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset; and
- the ability to measure reliably the expenditure attributable to the intangible asset during its development.

Directly attributable costs which are eligible to be capitalised as part of the research and development project may include employee costs and an appropriate portion of relevant overheads.

Other development expenditures that do not meet these criteria are charged to expense as incurred. Development costs previously recognised as an expense are not recognised as an asset in a subsequent period.

2.8 Leases

(a) As a lessee

The Group leases buildings and land use right as lessee. Rental contracts are typically made for fixed periods of 3 to 5 years and 30 years respectively.

Leases are recognised as a right-of-use asset and a corresponding liability at the date at which the leased asset is available for use by the Group.

Contracts may contain both lease and non-lease components. The Group allocates the consideration in the contract to the lease and non-lease components based on their relative stand-alone prices.

Lease terms are negotiated on an individual basis and contain various different terms and conditions. The lease agreements do not impose any covenants other than the security interests in the leased assets that are held by the lessor. Leased assets may not be used as security for borrowing purposes.



Notes to the Financial Statements

(Expressed in RMB unless otherwise indicated)

2 SUMMARY OF MATERIAL ACCOUNTING POLICIES (Continued)

2.8 Leases (Continued)

(a) As a lessee (Continued)

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments (if applicable):

- fixed payments (including in-substance fixed payments), less any lease incentives receivable;
- variable lease payment that are based on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable by the lessee under residual value guarantees;
- the exercise price of a purchase option if the lessee is reasonably certain to exercise that option; and
- payments of penalties for terminating the lease, if the lease term reflects the lessee exercising that option.

Lease payments to be made under reasonably certain extension options are also included in the measurement of the liability.

The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, which is generally the case for leases in the Group, the lessee's incremental borrowing rate is used, being the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions.

To determine the incremental borrowing rate, the Group:

- where possible, uses recent third-party financing received by the individual lessee as a starting point, adjusted to reflect changes in financing conditions since third party financing was received;
- uses a build-up approach that starts with a risk-free interest rate adjusted for credit risk for leases held by the Group, which does not have recent third-party financing; and
- makes adjustments specific to the lease, e.g. term, country, currency and security.

If a readily observable amortising loan rate is available to the individual lessee (through recent financing or market data) which has a similar payment profile to the lease, then the Group use that rate as a starting point to determine the incremental borrowing rate.

Lease payments are allocated between principal and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each reporting period.



Notes to the Financial Statements

(Expressed in RMB unless otherwise indicated)

2 SUMMARY OF MATERIAL ACCOUNTING POLICIES (Continued)

2.8 Leases (Continued)

(a) As a lessee (Continued)

Right-of-use assets are measured at cost comprising the following (if applicable):

- the amount of the initial measurement of lease liability;
- any lease payments made at or before the commencement date less any lease incentives received;
- any initial direct costs.

Right-of-use assets are generally depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis. If the Group is reasonably certain to exercise a purchase option, the right-of-use asset is depreciated over the underlying asset's useful life.

Payments associated with short-term leases of equipment are recognised on a straight-line basis as an expense in profit or loss. Short-term leases are leases with a lease term of 12 months or less without a purchase option.

(b) As a lessor

The Group determines at lease inception whether each lease is a finance lease or an operating lease. A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to the ownership of an underlying assets to the lessee. Otherwise, the lease is classified as an operating lease.

When a contract contains lease and non-lease components, the Group allocates the consideration in the contract to each component on a relative stand-alone selling price basis. The rental income from operating leases is recognised in accordance with Note 2.24 (b)(1).

When the Group is an intermediate lessor, the sub-leases are classified as a finance lease or as an operating lease with reference to the right-of-use asset arising from the head lease. If the head lease is a short-term lease to which the Group applies the exemption, then the Group classifies the sub-lease as an operating lease.

2.9 Impairment of non-financial assets

At each reporting date, the Group reviews the carrying amounts of its non-financial assets (other than property carried at revalued amounts, investment property, inventories and other contract costs, contract assets and deferred tax assets) to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. Goodwill is tested annually for impairment.

For impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or cash-generating units ("CGU"s). Goodwill arising from a business combination is allocated to CGUs or groups of CGUs that are expected to benefit from the synergies of the combination.



Notes to the Financial Statements

(Expressed in RMB unless otherwise indicated)

2 SUMMARY OF MATERIAL ACCOUNTING POLICIES (Continued)

2.9 Impairment of non-financial assets (Continued)

The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs of disposal. Value in use is based on the estimated future cash flows, discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU.

An impairment loss is recognised if the carrying amount of an asset or CGU exceeds its recoverable amount.

Impairment losses are recognised in profit or loss. They are allocated first to reduce the carrying amount of any goodwill allocated to the CGU, and then to reduce the carrying amounts of the other assets in the CGU on a pro rata basis.

An impairment loss in respect of goodwill is not reversed. For other assets, an impairment loss is reversed only to the extent that the resulting carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

2.10 Financial assets

(a) Classification

The Group classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value (either through OCI or through profit or loss); and
- those to be measured at amortised cost.

The classification depends on the Group's business model for managing the financial assets and the contractual terms of the cash flows.

For assets measured at fair value, gains and losses will either be recorded in profit or loss or OCI. For investments in equity instruments that are not held for trading, this will depend on whether the Group has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income (FVOCI).

The Group reclassifies debt investments when and only when its business model for managing those assets changes.

(b) Recognition and derecognition

Regular way purchases and sales of financial assets are recognised on trade-date, the date on which the Group commits to purchase or sell the asset. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Group has transferred substantially all the risks and rewards of ownership.

(c) Measurement

At initial recognition, the Group measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss ("FVPL"), transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVPL are expensed in profit or loss.

Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.



Notes to the Financial Statements

(Expressed in RMB unless otherwise indicated)

2 SUMMARY OF MATERIAL ACCOUNTING POLICIES (Continued)

2.10 Financial assets (Continued)

(c) Measurement (Continued)

Debt instruments

Subsequent measurement of debt instruments depends on the Group's business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories into which the Group classifies its debt instruments:

- **Amortised cost:** Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Interest income from these financial assets is included in finance income using the effective interest rate method. Any gain or loss arising on derecognition is recognised directly in profit or loss and presented in "other gains/(losses) – net" together with foreign exchange gains and losses. Impairment losses are presented as separate line item in the consolidated statement of comprehensive loss.
- **FVOCI:** Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at FVOCI. Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest income and foreign exchange gains and losses which are recognised in profit or loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss and recognised in "other gains/(losses) – net". Interest income from these financial assets is included in finance income using the effective interest rate method. Foreign exchange gains and losses are presented in "other gains/(losses)–net" and impairment expenses are presented as separate line item in the consolidated statement of comprehensive loss.
- **FVPL:** Assets that do not meet the criteria for amortised cost or FVOCI are measured at FVPL. A gain or loss on a debt investment that is subsequently measured at FVPL is recognised in profit or loss and presented net within "other gains/(losses) – net" in the period in which it arises.



Notes to the Financial Statements

(Expressed in RMB unless otherwise indicated)

2 SUMMARY OF MATERIAL ACCOUNTING POLICIES (Continued)

2.10 Financial assets (Continued)

(c) Measurement (Continued)

Equity instruments

The Group subsequently measures all equity investments at fair value. Where the Group's management has elected to present fair value gains and losses on equity investments in OCI, there is no subsequent reclassification of fair value gains and losses to profit or loss following the derecognition of the investment. Dividends from such investments continue to be recognised in profit or loss as other income when the Group's right to receive payments is established.

Changes in the fair value of financial assets at FVPL are recognised in "other gains/(losses) – net" in the consolidated statement of comprehensive loss as applicable.

(d) Impairment

The Group assesses on a forward-looking basis the expected credit loss associated with its debt instruments carried at amortised cost and measured at FVOCI. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

Measurement of ECLs

ECLs are a probability-weighted estimate of credit losses. Generally, credit losses are measured as the present value of all expected cash shortfalls between the contractual and expected amounts.

The expected cash shortfalls are discounted using the following rates if the effect is material:

- fixed-rate financial assets, trade and other receivables: effective interest rate determined at initial recognition or an approximation thereof.

The maximum period considered when estimating ECLs is the maximum contractual period over which the Group is exposed to credit risk.

ECLs are measured on either of the following bases:

- 12-month ECLs: these are the portion of ECLs that result from default events that are possible within the 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months); and
- lifetime ECLs: these are the ECLs that result from all possible default events over the expected lives of the items to which the ECL model applies.

The Group measures loss allowances at an amount equal to lifetime ECLs, except for the following, which are measured at 12-month ECLs:

- financial instruments that are determined to have low credit risk at the reporting date; and
- other financial instruments (including loan commitments issued) for which credit risk (i.e. the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition.



Notes to the Financial Statements

(Expressed in RMB unless otherwise indicated)

2 SUMMARY OF MATERIAL ACCOUNTING POLICIES (Continued)

2.10 Financial assets (Continued)

(d) Impairment (Continued)

Measurement of ECLs (Continued)

Loss allowances for trade receivables and contract assets are always measured at an amount equal to lifetime ECLs.

Significant increases in credit risk

When determining whether the credit risk of a financial instrument has increased significantly since initial recognition and when measuring ECLs, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Group's historical experience and informed credit assessment, that includes forward-looking information.

In particular, the following information is taken into account when assessing whether credit risk has increased significantly since initial recognition:

- failure to make payments of principal or interest on their contractually due dates;
- an actual or expected significant deterioration in a financial instrument's external or internal credit rating (if available);
- an actual or expected significant deterioration in the operating results of the debtor; and
- existing or forecast changes in the technological, market, economic or legal environment that have a significant adverse effect on the debtor's ability to meet its obligation to the Group.

Depending on the nature of the financial instruments, the assessment of a significant increase in credit risk is performed on either an individual basis or a collective basis. When the assessment is performed on a collective basis, the financial instruments are grouped based on shared credit risk characteristics, such as past due status and credit risk ratings.

ECLs are remeasured at each reporting date to reflect changes in the financial instrument's credit risk since initial recognition. Any change in the ECL amount is recognised as an impairment gain or loss in profit or loss. The Group recognises an impairment gain or loss for all financial instruments with a corresponding adjustment to their carrying amount through a loss allowance account.

Credit-impaired financial assets

At each reporting date, the Group assesses whether a financial asset is credit-impaired. A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.



Notes to the Financial Statements

(Expressed in RMB unless otherwise indicated)

2 SUMMARY OF MATERIAL ACCOUNTING POLICIES (Continued)

2.10 Financial assets (Continued)

(d) Impairment (Continued)

Credit-impaired financial assets (Continued)

Evidence that a financial asset is credit-impaired includes the following observable events:

- significant financial difficulties of the debtor;
- a breach of contract, such as a default or past due;
- the restructuring of a loan or advance by the Group on terms that the Group would not consider otherwise;
- it is probable that the debtor will enter bankruptcy or other financial reorganisation; or
- the disappearance of an active market for a security because of financial difficulties of the issuer.

Write-off policy

The gross carrying amount of a financial asset or contract asset is written off to the extent that there is no realistic prospect of recovery. This is generally the case when the Group determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off.

Subsequent recoveries of an asset that was previously written off are recognised as a reversal of impairment in profit or loss in the period in which the recovery occurs.

2.11 Offsetting financial instruments

Financial assets and liabilities are offset and the net amount is reported in the financial position where the Group currently has a legally enforceable right to offset the recognised amounts, and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously.

2.12 Trade and notes receivables

Trade and notes receivables are amounts due from customers for vehicles or products sold in the ordinary course of business. If collection of trade and notes receivables is expected in one year or less (or in the normal operating cycle of the business if longer), it is classified as current asset. If not, it is presented as non-current asset.

Trade and notes receivables are recognised initially at the amount of consideration that is unconditional unless they contain significant financing components, when they are recognised at fair value. The Group holds the trade and notes receivables with the objective of collecting the contractual cash flows and therefore measures them subsequently at amortised cost using the effective interest method. See Note 18 for further information about the Group's accounting for trade and notes receivables and Note 3.1(b) for a description of the Group's impairment policies.



Notes to the Financial Statements

(Expressed in RMB unless otherwise indicated)

2 SUMMARY OF MATERIAL ACCOUNTING POLICIES (Continued)

2.13 Inventories

Raw materials, work in progress and finished goods are stated at the lower of cost and net realisable value. Cost comprises direct materials, direct labor and an appropriate proportion of variable and fixed overhead expenditure, the latter being allocated on the basis of normal operating capacity. Costs are assigned to individual items of inventory on the basis of weighted average costs. Costs of purchased inventory are determined after deducting rebates and discounts. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

2.14 Cash and cash equivalents

For the purpose of presentation in the consolidated statement of cash flows, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

2.15 Share capital

Ordinary shares are classified as equity.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

2.16 Repurchase of shares

When shares recognised as equity are repurchased, the amount of the consideration paid, which includes directly attributable costs, is recognised as a deduction from equity and classified as treasury shares.

When the repurchased shares are cancelled, the share capital shall be eliminated according to the number of shares and par value of cancelled shares, the difference between the carrying amount of the treasury shares and the share capital are recognised in reserve.

2.17 Trade and other payables

These amounts represent liabilities for goods and services provided to the Group prior to the end of financial year which are unpaid. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period. They are recognised initially at their fair value and subsequently measured at amortised cost using the effective interest method.



Notes to the Financial Statements

(Expressed in RMB unless otherwise indicated)

2 SUMMARY OF MATERIAL ACCOUNTING POLICIES (Continued)

2.18 Foreign currency translation

(a) Functional and presentation currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates (the "functional currency"). The functional currency of the Company and the companies in PRC is RMB. The functional currency of the company in Germany is Euro. The functional currency of the company in Singapore is Singapore Dollar. The functional currency of the company in Hongkong is Hongkong Dollar. The consolidated financial statements are presented in RMB which is the Group's presentation currency.

(b) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are generally recognised in profit or loss. They are deferred in equity if they relate to qualifying cash flow hedges and qualifying net investment hedges or are attributable to part of the net investment in a foreign operation. All other foreign exchange gains and losses are presented in the consolidated statement of comprehensive income on a net basis within other gains/(losses).

2.19 Borrowings

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in profit or loss over the period of the borrowings using the effective interest method. Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw-down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a prepayment for liquidity services and amortised over the period of the facility to which it relates.

Borrowings are removed from the consolidated financial position when the obligation specified in the contract is discharged, canceled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss as finance costs.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period.



Notes to the Financial Statements

(Expressed in RMB unless otherwise indicated)

2 SUMMARY OF MATERIAL ACCOUNTING POLICIES (Continued)

2.20 Borrowing costs

General and specific borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised during the period of time that is required to complete and prepare the asset for its intended use or sale. Qualifying assets are assets that necessarily take a substantial period of time to get ready for their intended use or sale.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

Other borrowing costs are expensed in the period in which they are incurred.

2.21 Current and deferred income tax

The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in deferred income tax assets and liabilities attributable to temporary differences and to unused tax losses.

(a) Current income tax

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period in the countries where the Company, its subsidiaries and associate operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation and considers whether it is probable that a taxation authority will accept an uncertain tax treatment. The Group measures its tax balances either based on the most likely amount or the expected value, depending on which method provides a better prediction of the resolution of the uncertainty.

(b) Deferred income tax

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, deferred income tax liabilities are not recognised if they arise from the initial recognition of goodwill. Deferred income tax is also not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss and does not give rise to equal taxable and deductible temporary differences. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.



Notes to the Financial Statements

(Expressed in RMB unless otherwise indicated)

2 SUMMARY OF MATERIAL ACCOUNTING POLICIES (Continued)

2.21 Current and deferred income tax (Continued)

(b) *Deferred income tax (Continued)*

Deferred income tax assets are recognised only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Deferred income tax liabilities and assets are not recognised for temporary differences between the carrying amount and tax bases of investments in foreign operations where the Group is able to control the timing of the reversal of the temporary differences and it is probable that the differences will not reverse in the foreseeable future.

Deferred income tax assets and liabilities are offset where there is a legally enforceable right to offset current income tax assets and liabilities and where the deferred income tax balances relate to the same taxation authority. Current income tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Current and deferred income tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity respectively.

2.22 Employee benefits

(a) *Short-term obligations*

Liabilities for wages and salaries, including non-monetary benefits and accumulating sick leave that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the consolidated financial position.

(b) *Pension obligations*

In accordance with the rules and regulations in the PRC, the employees of the Group participate in various defined contribution retirement benefit plans organized by the relevant municipal and provincial governments in the PRC under which the Group and the employees are required to make monthly contributions to these plans calculated as a percentage of the employees' salaries, subject to certain ceiling. Other than the monthly contributions, the Group has no further obligation for the payment of retirement and other post-retirement benefits of its employees. The assets of these plans are held separately from those of the Group in an independent fund managed by the PRC government. The Group's contributions to these plans are expensed as incurred.

(c) *Housing funds, medical insurances and other social insurances*

The employees of the Group are entitled to participate in various government-supervised housing funds, medical insurance and other employee social insurance plan. The Group contributes on a monthly basis to these funds based on certain percentages of the salaries of the employees, subject to certain ceiling. The Group's liability in respect of these funds is limited to the contributions payable in each period.



Notes to the Financial Statements

(Expressed in RMB unless otherwise indicated)

2 SUMMARY OF MATERIAL ACCOUNTING POLICIES (Continued)

2.22 Employee benefits (Continued)

(d) Bonus plan

The expected cost of bonuses is recognised as a liability when the Group has a present legal or constructive obligation for payment of bonus as a result of services rendered by employees and a reliable estimate of the obligation can be made. Liabilities for bonus plans are expected to be settled within 1 year and are measured at the amounts expected to be paid when they are settled.

(e) Termination benefits

Termination benefits are payable when employment is terminated by the Group before the normal retirement date, or when an employee accepts voluntary redundancy in exchange for these benefits. The Group recognises termination benefits at the earlier of the following dates: (a) when the Group can no longer withdraw the offer of those benefits; and (b) when the entity recognises costs for a restructuring that is within the scope of IAS 37 and involves the payment of terminations benefits. In the case of an offer made to encourage voluntary redundancy, the termination benefits are measured based on the number of employees expected to accept the offer. Benefits falling due more than 12 months after the end of the reporting period are discounted to present value.

2.23 Share-based payment

The fair value of awarded shares granted to employees under the ESOP less amount paid by employees is recognised as an employee benefits expense over the relevant service period, being the vesting period of the shares, and the credit is recognised in equity in the share-based payment reserves. The fair value of the shares is measured at the grant date. The total amount to be expensed is determined by reference to the fair value of the equity instruments granted:

- including any market performance conditions; (e.g. the entity's share price);
- excluding the impact of any service and non-market performance vesting conditions (e.g. profitability, sales growth targets and remaining an employee of the entity over a specified time period); and
- including the impact of any non-vesting conditions (e.g. the requirement for employees to save or hold shares for a specific period of time).

The total expense is recognised over the vesting period, which is the period over which all of the specified vesting conditions are to be satisfied. At the end of each reporting period, the Group revises its estimates of the number of shares that are expected to vest based on the service conditions. It recognises the impact of the revision to original estimates, if any, in profit or loss, with a corresponding adjustment to equity.



Notes to the Financial Statements

(Expressed in RMB unless otherwise indicated)

2 SUMMARY OF MATERIAL ACCOUNTING POLICIES (Continued)

2.23 Share-based payment (Continued)

Where there is any modification of terms and conditions which increases the fair value of the equity instruments granted, the Group includes the incremental fair value granted in the measurement of the amount recognised for the services received over the remainder of the vesting period. The incremental fair value is the difference between the fair value of the modified equity instrument and that of the original equity instrument, both estimated as at the date of the modification. An expense based on the incremental fair value is recognised over the period from the modification date to the date when the modified equity instruments vest in addition to any amount in respect of the original instrument, which should continue to be recognised over the remainder of the original vesting period. Where shares are forfeited due to a failure by the employee to satisfy the service conditions, any expenses previously recognised in relation to such shares are reversed effective at the date of the forfeiture.

The grant of share-based payments by the shareholders to the employees of the subsidiaries are treated as a capital contribution to subsidiaries in the separate financial statements of the Company. The fair value of employee services received, determined by reference to the grant date fair value, is recognised over the vesting period as an increase to investments in subsidiaries undertakings, with a corresponding adjustment to equity in the separate financial statements of the Company.

2.24 Revenue and other income

Income is classified by the group as revenue when it arises from the sale of goods, the provision of services or the use by others of the group's assets under leases in the ordinary course of the group's business.

Further details of the group's revenue and other income recognition policies are as follows:

(a) Revenue from contracts with customers

The Group recognises revenue when (or as) a performance obligation is satisfied, i.e. when control of the goods or services underlying the particular performance obligation is transferred to the customer.

Control is transferred over time and revenue is recognised over time by reference to the progress towards complete satisfaction of the relevant performance obligation if one of the following criteria is met:

- the customer simultaneously receives and consumes the benefits provided by the Group's performance as the Group performs;
- the Group's performance creates or enhances an asset that the customer controls as the Group performs; or
- the Group's performance does not create an asset with an alternative use to the Group and the Group has an enforceable right to payment for performance completed to date.

Otherwise, revenue is recognised at a point in time when the customer obtains control of the distinct good or service.



Notes to the Financial Statements

(Expressed in RMB unless otherwise indicated)

2 SUMMARY OF MATERIAL ACCOUNTING POLICIES (Continued)

2.24 Revenue and other income (Continued)

(a) Revenue from contracts with customers (Continued)

When allocating the transaction price to each performance obligation identified in the contract, the Group determines the stand-alone selling price at contract inception of the distinct good or service underlying each performance obligation in the contract and allocate the transaction price in proportion to those stand-alone selling prices.

In determining whether revenue of the Group should be reported gross or net is based on a continuing assessment of various factors. When determining whether the Group is acting as the principal or agent in offering goods or services to the customer, the Group needs to first identify who controls the specified goods or services before they are transferred to the customer. The Group follows the accounting guidance for principal-agent considerations to assess whether the Group controls the specified goods or service before it is transferred to the customer, the indicators of which including but not limited to (a) whether the entity is primarily responsible for fulfilling the promise to provide the specified service; (b) whether the entity has inventory risk before the specified service has been transferred to a customer; and (c) whether the entity has discretion in establishing the prices for the specified goods or service. The management considers the above factors in totality, as none of the factors individually are considered presumptive or determinative, and applies judgment when assessing the indicators depending on each different circumstances.

The Group mainly provides autonomous driving related R&D services to OEMs to develop software, hardware, algorithm and function for autonomous driving solution for vehicle models in such OEMs' pipelines, and when such R&D is successfully validated, the OEMs would engage the Group for the production and sales of such autonomous driving solutions. Other than the above core business in relation to the autonomous driving solutions, the Group also engaged in manufacture and sale of printed circuit board assembly (PCBA) products to certain customers by using surface-mount technology ("SMT").

The following is a description of the accounting policy for the principal revenue streams of the Group:

(1) Sales of advanced driver assistance solutions and products and PCBA parts

Revenue generated from sales of advanced driver assistance solutions and products primarily includes its main products advanced driver assistance (ADAS) domain controllers and intelligent front cameras to OEMs, which is recognised at the point in time when it satisfies a performance obligation by transferring control over a product to a customer, generally upon the acceptance of the products. For PCBA parts with revenue recognised at a point in time, the Group recognises revenue upon transfer of control, which generally occurs upon shipment to the customers and transfer of title and risk of loss under standard commercial terms (typically DAP or EXW). The revenue is measured based on consideration, less value-added tax, specified in a contract with a customer, as well as adjusted for any variable consideration (i.e., price concessions or annual price adjustments) based on contract terms and historical patterns.



Notes to the Financial Statements

(Expressed in RMB unless otherwise indicated)

2 SUMMARY OF MATERIAL ACCOUNTING POLICIES (Continued)

2.24 Revenue and other income (Continued)

(a) Revenue from contracts with customers (Continued)

(1) Sales of advanced driver assistance solutions and products and PCBA parts (Continued)

In addition, the Group makes payments to certain customers when they first enter into a contract with the Group to purchase advanced driver assistance solutions and products. Such upfront payments are capitalized and amortised as a reduction of revenue over the expected transfer of goods or services to which the upfront payments relate.

(2) Provision of autonomous driving related R&D services

The Group provides autonomous driving services to OEMs, including (i) software and hardware development in autonomous driving segment; (ii) autonomous driving algorithm and function development; and (iii) functional safety consulting and validation service. The Group recognises revenue at a point in time when performance obligations are satisfied, that is when the agreed deliverables are accepted by customers. The Group does not have any enforceable right to payment before the agreed deliverables are accepted by customers.

Contract fulfillment costs represent costs that relate directly to a contract for autonomous driving related R&D services provided by the Group, primarily including direct labor, direct materials and allocations of costs incurred in providing the promised services directly to the customers. When performance obligations are satisfied, that is when the agreed deliverables are accepted by the customers, the Group recognises revenue and the accumulated fulfilment costs were transferred to cost of sales. The contract fulfillment costs are amortised to cost of sales on a project basis according to the terms specified in the underlying contracts, which is consistent with the transfer of relevant services. The Group recognised an impairment loss in profit or loss to the extent that the carrying amount of contract fulfillment costs recognised exceeds the remaining amount of consideration that the Group expected to receive in exchange for such services.

(b) Revenue from other sources and other income

(1) Rental income from operating leases

Rental income from operating leases is recognised in profit or loss on a straight-line basis over the term of the lease. Lease incentives granted are recognised as an integral part of the total rental income, over the term of the lease. Variable lease payments that do not depend on an index or a rate are recognised as income in the accounting period in which they are earned.

(2) Government grants

Government grants are recognised in the statement of financial position initially when there is reasonable assurance that they will be received and that the Group will comply with the conditions attaching to them.



Notes to the Financial Statements

(Expressed in RMB unless otherwise indicated)

2 SUMMARY OF MATERIAL ACCOUNTING POLICIES (Continued)

2.24 Revenue and other income (Continued)

(b) Revenue from other sources and other income (Continued)

(2) Government grants (Continued)

Grants that compensate the Group for expenses incurred are recognised as income in profit or loss on a systematic basis in the same periods in which the expenses are incurred.

Grants that compensate the Group for the cost of an asset are deducted from the carrying amount of the asset and consequently are effectively recognised in profit or loss over the useful life of the asset by way of reduced depreciation expense.

2.25 Provisions

Provisions for product warranties and onerous contracts, etc. are recognised when the Group has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation, and the amount can be reliably estimated. Provisions are not recognised for future operating losses.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The increase in the provisions due to the passage of time is recognised as interest expense.

2.26 Loss per share

(a) Basic loss per share

Basic loss per share is calculated by dividing:

- the loss attributable to equity holders of the Company, excluding any costs of servicing equity other than ordinary shares, and
- by the weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares issued during the year and excluding treasury stock.

(b) Diluted loss per share

Diluted loss per share adjusts the figures used in the determination of basic loss per share to take into account:

- the after-income tax effect of interest and other financing costs associated with dilutive potential ordinary shares, and
- the weighted average number of additional ordinary shares that would have been outstanding assuming the conversion of all dilutive potential ordinary shares.



Notes to the Financial Statements

(Expressed in RMB unless otherwise indicated)

2 SUMMARY OF MATERIAL ACCOUNTING POLICIES (Continued)

2.27 Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker.

The chief operating decision-maker (“CODM”), who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the executive directors of the Company that makes strategic decisions.

3 FINANCIAL RISK MANAGEMENT

3.1 Financial risk factors

The Group’s risk management is predominantly controlled by the treasury department under policies approved by the Board of Directors of the Company (the “Board”). The Group’s treasury department identifies, evaluates and hedges financial risks in close cooperation with the Group’s operating units. The Board provides written principles for overall risk management, as well as policies covering specific areas, such as foreign exchange risk, interest rate risk, credit risk, use of derivative financial instruments and non-derivative financial instruments, and investment of excess liquidity.

(a) Market risk

(i) Foreign exchange risk

Foreign exchange risk arises when future commercial transactions or recognised assets and liabilities are denominated in a currency that is not the Group entities’ functional currency. The Group’s businesses are principally conducted in RMB. The majority of assets is denominated in RMB. The majority of non-RMB assets and liabilities are cash and cash equivalents, trade receivables and trade payables denominated in HKD, USD and EUR. The Group is subject to foreign exchange risk arising from future commercial transactions and recognised assets and liabilities which are denominated in non-RMB and net investment in foreign operations.

The Group manages its foreign exchange risk by closely monitoring the movement of the foreign currency rates. Cash repatriation from the PRC are subject to the rules and regulations of foreign exchange control promulgated by the PRC government. Additionally, the Group enters into forward exchange contracts to mitigate the foreign exchange risk. The Group did not have other significant exposure to foreign exchange risk.



Notes to the Financial Statements

(Expressed in RMB unless otherwise indicated)

3 FINANCIAL RISK MANAGEMENT (Continued)

3.1 Financial risk factors (Continued)

(a) Market risk (Continued)

(i) Foreign exchange risk (Continued)

The carrying amount of the Group's foreign currency denominated monetary assets and monetary liabilities at the respective dates of consolidated statements of financial position are as follows:

	As at 31 December	
	2025	2024
	RMB'000	RMB'000
Assets		
HKD	24,128	148,667
USD	192,185	123,291
EUR	1,178	680
	217,491	272,638
Liabilities		
USD	80,942	59,678
EUR	451	–
	81,393	59,678

The Group is primarily exposed to changes in RMB/HKD and RMB/USD exchange rates.

As at 31 December 2025, if the HKD strengthened/weakened by 10% against the RMB, with all other variables held constant, loss before income tax for the year then ended would have been approximately RMB2,412,800 lower/higher (2024: RMB14,866,700) as a result of foreign exchange losses on translation of HKD denominated financial assets.

As at 31 December 2025, if the USD strengthened/weakened by 10% against the RMB, with all other variables held constant, loss before income tax for the year then ended would have been approximately RMB11,069,000 lower/higher (2024: RMB6,361,300 lower/higher) as a result of foreign exchange losses on translation of USD denominated financial assets and liabilities.

(ii) Cash flow and fair value interest rate risk

Except for cash and cash equivalents, restricted cash (Note 22), the Group has no significant interest-bearing assets. The Group's income and operating cash flows are substantially independent of changes in market interest rates.

The Group's interest-rate risk mainly arises from borrowings. Borrowings obtained at variable rates expose the Group to cash flow interest-rate risk. Borrowings obtained at fixed rates expose the Group to fair value interest-rate risk. The interest rates and terms of repayments of borrowings are disclosed in Note 28. The Group did not use any interest rate swap contracts or other financial instruments to hedge against its interest rate risk for the reporting period.

As at 31 December 2025, if the Group's interest rates on borrowings obtained at variable rates had been higher/lower by 0.5%, loss before income tax for the year then ended would have been approximately RMB1,370,000 higher/lower (2024: RMB851,000 higher/lower).



Notes to the Financial Statements

(Expressed in RMB unless otherwise indicated)

3 FINANCIAL RISK MANAGEMENT (Continued)

3.1 Financial risk factors (Continued)

(a) Market risk (Continued)

(iii) Price risk

The Group's exposure to equity securities price risk arises from investments held by the Group and classified in the financial position as at fair value through profit or loss (FVPL) (Note 21). Loss before income tax for the year would decrease/increase as a result of gains/losses on securities classified as at FVPL. As at 31 December 2025, if the prices of investments rise/fall by 10% while holding all other variables constant, loss before income tax for the year then ended would be approximately RMB350,000 lower/higher (2024: RMB478,000 lower/higher).

To manage its price risk arising from investments in securities, the Group diversifies its portfolio. Diversification of the portfolio is done in accordance with the limits set by the Group.

(b) Credit risk

Credit risk arises from cash and cash equivalents, restricted cash, wealth management products as well as trade receivables and other receivables. The carrying amount of each class of the above financial assets represents the Group's maximum exposure to credit risk in relation to the corresponding class of financial assets.

Risk management

To manage this risk, cash and cash equivalents, wealth management products and financial assets measured as FVOCI are mainly placed with state-owned or reputable financial institutions on the Chinese Mainland which are all high-credit-quality financial institutions.

To manage risk arising from trade receivables, the Group has policies in place to ensure that credit terms are made to counterparties with an appropriate credit history and management performs ongoing credit evaluations of the counterparties. Trade receivables have been grouped based on shared credit risk characteristics and aging to measure the expected credit losses. Trade receivables are written off when there is no reasonable expectation of recovery. Impairment losses on trade receivables are presented as net impairment losses within operating profit. Subsequent recoveries of amounts previously written off are credited against the same line item.

For other financial assets carried at amortised cost (excluding input Value Added Tax ("VAT") to be deducted, contract fulfilment costs and prepayments), management makes periodic collective assessments as well as individual assessment on the recoverability of other receivables based on historical settlement records and past experiences.

Impairment of financial assets

The Group has three types of financial assets that are subject to the expected credit loss model:

- cash and cash equivalents and restricted cash;
- trade receivables;
- other receivables.



Notes to the Financial Statements

(Expressed in RMB unless otherwise indicated)

3 FINANCIAL RISK MANAGEMENT (Continued)

3.1 Financial risk factors (Continued)

(b) Credit risk (Continued)

(i) Cash and cash equivalents and restricted cash

To manage risk arising from cash and cash equivalents, the Group only transacts with state-owned or reputable financial institutions in Mainland China. There has been no recent history of default in relation to these financial institutions. These instruments are considered to have low credit risk because they have a low risk of default and the counterparty has a strong capacity to meet its contractual cash flow obligations in the near term. Cash and cash equivalents are also subject to the impairment requirements of IFRS 9, while the identified impairment loss was immaterial.

(ii) Trade receivables

The Group applies the IFRS 9 simplified approach to measure expected credit losses which uses a lifetime expected loss allowance for all trade receivables.

The Group measures loss allowances for trade receivables at an amount equal to lifetime ECLs, which is calculated using a provision matrix. As the Group's historical credit loss experience does not indicate significantly different loss patterns for different customers, the loss allowance based on past due status is not further distinguished between the Group's different customer bases.

The Group's trade receivables mainly consist of amounts due from customers for goods sold or services rendered as described in Note 18.

As at 31 December 2025, the Group had certain concentrations of credit risk as 34.12% (2024: 55.21%) of the Group's trade receivables due from one of its largest customer, Geely Group.

(iii) Other receivables

Other receivables mainly include refundable deposits, payments on behalf of employees and others.

The movement of loss allowance for trade receivables, other receivables during the years ended 31 December 2025 and 2024 is as follows:

	Trade receivables RMB'000	Other receivables RMB'000	Total RMB'000
As at 1 January 2025	(5,239)	(450)	(5,689)
(Increase)/decrease in loss allowance recognised in profit or loss during the year	(6,758)	392	(6,366)
As at 31 December 2025	(11,997)	(58)	(12,055)
As at 1 January 2024	(3,720)	(70)	(3,790)
Increase in loss allowance recognised in profit or loss during the year	(1,519)	(380)	(1,899)
As at 31 December 2024	(5,239)	(450)	(5,689)



Notes to the Financial Statements

(Expressed in RMB unless otherwise indicated)

3 FINANCIAL RISK MANAGEMENT (Continued)

3.1 Financial risk factors (Continued)

(c) Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and cash equivalents. Due to the dynamic nature of the underlying businesses, the policy of the Group is to regularly monitor the Group's liquidity risk and to maintain adequate cash and cash equivalents to meet the Group's liquidity requirements.

Maturities of financial liabilities

The table below analyses the Group's financial liabilities into relevant maturity groupings based on their contractual maturities for all non-derivative financial liabilities.

The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

	Less than 1 year RMB'000	Between 1 and 2 years RMB'000	Between 2 and 5 years RMB'000	Over 5 years RMB'000	Total RMB'000
As at 31 December 2025					
Borrowings (including interest payables)	187,199	49,592	227,748	38,087	502,626
Trade payables (Note 31)	160,588	–	–	–	160,588
Other payables and accruals (excluding payroll and welfare payables and other tax payables) (Note 32)	139,433	–	–	–	139,433
Lease liabilities	974	–	–	–	974
	488,194	49,592	227,748	38,087	803,621
As at 31 December 2024					
Borrowings (including interest payables)	144,725	16,658	61,037	123,057	345,477
Trade payables (Note 31)	114,918	–	–	–	114,918
Other payables and accruals (excluding payroll and welfare payables and other tax payables) (Note 32)	146,996	–	–	–	146,996
Lease liabilities	2,949	556	–	–	3,505
	409,588	17,214	61,037	123,057	610,896

3.2 Capital management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for equity shareholders and to maintain an optimal capital structure to reduce the cost of capital.

The Group monitors capital by regularly reviewing the capital structure. As a part of this review, management of the Company considers the cost of capital, and the risks associated with the issued share capital. The Group may adjust the amounts of dividends paid to equity holders, return capital to equity shareholders, issue new shares or repurchase the Company's shares. In the opinion of the management of the Company, the Group's capital risk is low. As a result, capital risk is not significant for the Group and measurement of capital management is not a tool currently used in the internal management reporting procedures of the Group.



Notes to the Financial Statements

(Expressed in RMB unless otherwise indicated)

3 FINANCIAL RISK MANAGEMENT (Continued)

3.2 Capital management (Continued)

As at 31 December 2025 and 2024, the debt equity ratio were as follows:

	As at 31 December	
	2025	2024
	RMB'000	RMB'000
Net cash (Note 33)	(91,899)	(91,405)
Total equity	870,565	903,024
Net debt equity ratio	N/A	N/A

3.3 Fair value estimation

(a) Fair value hierarchy

This section explains the judgements and estimates made in determining the fair values of the financial instruments that are recognised and measured at fair value in the financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the Group has classified its financial instruments into the three levels prescribed under the accounting standards.

- Level 1: The fair value of financial instruments traded in active markets (such as publicly traded derivatives, and equity securities) is based on quoted market prices at the end of the reporting period. The quoted market price used for financial assets held by the Group is the current bid price. These instruments are included in level 1.
- Level 2: The fair value of financial instruments that are not traded in an active market (for example, over-the-counter derivatives) is determined using valuation techniques which maximize the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.
- Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3.



Notes to the Financial Statements

(Expressed in RMB unless otherwise indicated)

3 FINANCIAL RISK MANAGEMENT (Continued)

3.3 Fair value estimation (Continued)

(a) Fair value hierarchy (Continued)

The following table presents the Group's assets and liabilities that are measured at fair value as at 31 December 2025 and 2024:

	Level 1 RMB'000	Level 2 RMB'000	Level 3 RMB'000	Total RMB'000
As at 31 December 2025				
Assets:				
Financial assets at FVPL (Note 21)	–	300,468	10,000	310,468
Financial assets at FVOCI (Note 19)	–	–	30,012	30,012
Total financial assets	–	300,468	40,012	340,480
	Level 1 RMB'000	Level 2 RMB'000	Level 3 RMB'000	Total RMB'000
As at 31 December 2024				
Assets:				
Financial assets at FVPL (Note 21)	–	103,345	125,341	228,686
Financial assets at FVOCI (Note 19)	–	–	95,768	95,768
Total financial assets	–	103,345	221,109	324,454

The Group's policy is to recognise transfers into and out of fair value hierarchy levels as at the end of each reporting period.



Notes to the Financial Statements

(Expressed in RMB unless otherwise indicated)

3 FINANCIAL RISK MANAGEMENT (Continued)

3.3 Fair value estimation (Continued)

(b) Valuation techniques used to determine level 2 and level 3 fair values

Specific valuation techniques used to value financial instruments include:

- Quoted market prices or dealer quotes for similar instruments; and
- For unlisted investment, its fair value is determined by the present value of their net asset shares or with reference to the recent transaction price of the investment as at 31 December 2025.
- Other techniques, such as discounted cash flow analysis, are used to determine fair value for the remaining financial instruments.

There were no changes in valuation techniques during the year ended 31 December 2025.

The fair value of trade receivables, other receivables, restricted cash and cash and cash equivalents were carried at cost or amortised cost not materially different from their fair value.

The fair value of trade payables, other payables and accruals (excluding payroll and welfare payables and other tax payables) and borrowings were carried at cost or amortised cost not materially different from their fair value.



Notes to the Financial Statements

(Expressed in RMB unless otherwise indicated)

3 FINANCIAL RISK MANAGEMENT (Continued)

3.3 Fair value estimation (Continued)

(c) Fair value measurements using significant unobservable inputs (level 3)

The following table presents the changes in level 3 items for the years ended 31 December 2025 and 2024:

	Financial assets at FVOCI RMB'000	Financial assets at FVPL RMB'000	Total RMB'000
As at 1 January 2025	95,768	125,341	221,109
Acquisitions	232,683	10,000	242,683
Disposals	(298,439)	(123,374)	(421,813)
Fair value changes	–	(1,967)	(1,967)
As at 31 December 2025	30,012	10,000	40,012
As at 1 January 2024	7,098	152,136	159,234
Acquisitions	138,858	302,158	441,016
Disposals	(50,188)	(327,403)	(377,591)
Fair value changes	–	(1,550)	(1,550)
As at 31 December 2024	95,768	125,341	221,109

More details about the financial assets at FVPL as at 31 December 2025 have been presented in Note 21.

(d) There were no transfers between levels 1, 2 and 3 for recurring fair value measurements during the years ended 31 December 2025 and 2024.



Notes to the Financial Statements

(Expressed in RMB unless otherwise indicated)

3 FINANCIAL RISK MANAGEMENT (Continued)

3.3 Fair value estimation (Continued)

(e) Valuation inputs and relationships to fair value

The following table summarizes the quantitative information about the significant unobservable inputs used in recurring level 3 fair value measurements.

As at 31 December 2025

Description	Fair value RMB'000	Unobservable inputs	Range of inputs	Relationship of unobservable inputs to fair value
Investment in private funds	6,500	Net asset value	N/A	The higher the net asset value, the higher the fair value
Bank acceptance notes	30,012	Discount rates	0.6% ~ 1.2%	The higher the discount rate, the lower the fair value
Unlisted investment	3,500	Net asset value or recent transaction price	N/A	The higher the net asset value and recent transaction price, the higher the fair value

As at 31 December 2024

Description	Fair value RMB'000	Unobservable inputs	Range of inputs	Relationship of unobservable inputs to fair value
Investment in private funds	110,556	Net asset value	N/A	The higher the net asset value, the higher the fair value
Wealth management products ("WMPs")	10,008	Expected rate of return	2.4%	The higher the expected rate of return, the higher the fair value
Bank acceptance notes	95,768	Discount rates	1.65%	The higher the discount rate, the lower the fair value
Unlisted investment with preferred rights	4,778	Recent transaction price	N/A	The higher the recent transaction price, the higher the fair value

If discount rates higher/lower by 0.5%, the fair values of bank acceptance would have been approximately RMB150,000 lower/higher (2024: RMB479,000 lower/higher).



Notes to the Financial Statements

(Expressed in RMB unless otherwise indicated)

3 FINANCIAL RISK MANAGEMENT (Continued)

3.3 Fair value estimation (Continued)

(f) Valuation processes

External valuation experts will be involved when necessary.

4 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

The preparation of the consolidated financial statements requires the use of accounting estimates which, by definition, will seldom equal the actual results. Management also needs to exercise judgment in applying the Group's accounting policies.

Estimates and judgements are continually evaluated. They are based on historical experience and other factors, including expectations of future events that may have a financial impact on the entity and that are believed to be reasonable under the circumstances. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below.

(a) Fair value of financial assets at FVPL

The fair value of financial assets that are not traded in an active market is determined by using valuation techniques. The Group uses its judgment to select a variety of methods and make assumptions that are mainly based on market conditions existing at the end of each reporting period. Changes in these assumptions and estimates could materially affect the respective fair value of these investments. Details of the assumptions and estimates in determination of the fair value are disclosed in Note 3.3.

(b) Write-down of inventories

The Group's management reviews the condition of inventories, as stated in Note 17 to the consolidated financial statements, at each reporting date, and makes allowance for inventories that are identified as obsolete, slow-moving or no longer recoverable or suitable for use in production. The Group carries out the inventory review on a product-by-product basis and makes allowances by reference to the latest market prices and current market conditions.

(c) Income taxes and deferred income tax

There are many transactions and events for which the ultimate tax determination is uncertain during the ordinary course of business. Significant judgment is required from the Group in determining the provisions for income taxes. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made.

The Group recognises deferred income tax assets based on estimates that it is probable to generate sufficient taxable profits in the foreseeable future against which the deductible losses will be utilised. The recognition of deferred income tax assets mainly involves management's judgments and estimations about the timing and the amount of taxable profits of the companies who has tax losses. No deferred income tax asset has been recognised in respect of such tax losses due to the unpredictability of future taxable income and details of unrecognised tax losses have been set out in Note 10.



Notes to the Financial Statements

(Expressed in RMB unless otherwise indicated)

5 REVENUE AND SEGMENT INFORMATION

(a) Description of segments and principal activities

During the year ended 31 December 2025, the Group is mainly engaged in the production, research and development and sales of advanced driver assistance solutions and products in the PRC. The executive Directors of the Company review the operating results of the business as one operating segment to make strategic decisions and resources allocation. Therefore, the Group regards that there is only one segment which is used to make strategic decisions.

Geographical information

The majority of the Group's business and operations are conducted in Mainland China and currently, the Group's principal market, majority of revenue, operating loss and non-current assets are derived from/located in the PRC. Accordingly, no geographical segment information is presented.

(b) Revenue during the reporting period

Revenue represents the invoiced value of goods sold and rendering of services, which is net of rebate and discounts.

Revenue mainly comprises sales of advanced driver assistance solutions and other products and rendering of services. An analysis of the Group's revenue by category for the years ended 31 December 2025 and 2024 is as follows:

	As at 31 December	
	2025	2024
	RMB'000	RMB'000
Revenue from contracts with customers within the scope of IFRS 15		
Advanced driver assistance solutions and products	926,158	1,192,578
Autonomous driving-related R&D services	62,361	41,661
Sales of PCBA products	11,875	13,482
	1,000,394	1,247,721
Revenue from other sources		
Rental income	177	–
	1,000,571	1,247,721

All the Group's revenue is recognised at a point in time.

For the year ended 31 December 2025, Geely Group was the Group's largest customer and the Group's revenue from Geely Group was RMB610.30 million (2024: RMB1,043.90 million), representing approximately 61.00% (2024: 83.66%) of the Group's total revenue during the same year.



Notes to the Financial Statements

(Expressed in RMB unless otherwise indicated)

5 REVENUE AND SEGMENT INFORMATION (Continued)

(c) Assets and liabilities related to contracts with customers

The Group recognised the following assets and liabilities related to the contracts with customers:

	As at 31 December	
	2025	2024
	RMB'000	RMB'000
Non-current assets recognised for upfront payments to customers (Note 16)	1,750	3,500
Current assets recognised for upfront payments to customers (Note 20)	1,750	1,750
Total assets recognised for upfront payments to customers (i)	3,500	5,250
Non-current assets recognised for costs incurred to fulfill contracts (Note 16)	–	1,825
Current assets recognised for costs incurred to fulfill contracts (Note 20)	37,845	40,400
Total assets recognised for costs incurred to fulfill contracts (ii)	37,845	42,225
Current liabilities – rendering of services (iii)	14,874	22,288
Current liabilities – sales of products	1,416	1
Total contract liabilities	16,290	22,289

(i) Assets recognised for upfront payments to customers

	As at 31 December	
	2025	2024
	RMB'000	RMB'000
Assets recognised for upfront payments to customers	5,250	7,000
Amortisation recognised as a reduction of revenue during the year	(1,750)	(1,750)
Total	3,500	5,250



Notes to the Financial Statements

(Expressed in RMB unless otherwise indicated)

5 REVENUE AND SEGMENT INFORMATION (Continued)

(c) Assets and liabilities related to contracts with customers (Continued)

(ii) Assets recognised from costs to fulfill contracts

	As at 31 December	
	2025	2024
	<i>RMB'000</i>	<i>RMB'000</i>
Assets recognised from costs incurred to fulfill contracts	59,492	44,474
Less: provisions for impairment of contract fulfillment costs	<u>(21,647)</u>	<u>(2,249)</u>
	<u>37,845</u>	<u>42,225</u>

Contract fulfillment costs represented costs that relate directly to a contract for autonomous driving related R&D services provided by the Group primarily including direct labour, direct materials and allocations of costs incurred in providing the promised services directly to the customers. The provision for impairment of contract fulfillment costs as recognised was RMB19,398,000 (2024: RMB593,000) for the year ended 31 December 2025.

(iii) Significant changes in contract liabilities

Contract liabilities of the Group arise from deposits from sales of services made by the customers while the control of services are yet to be passed. Such liabilities increase as a result of contracts entered into with customers under the sales arrangement before the completion of the underlying services.

(iv) Revenue recognised in relation to contract liabilities

	As at 31 December	
	2025	2024
	<i>RMB'000</i>	<i>RMB'000</i>
Revenue recognised that was included in the contract liability balance at the beginning of the year	<u>16,963</u>	<u>8,174</u>



Notes to the Financial Statements

(Expressed in RMB unless otherwise indicated)

6 OTHER INCOME

	Year ended 31 December	
	2025	2024
	RMB'000	RMB'000
Government grants	6,086	5,908

During the year ended 31 December 2025, the government grants mainly include government subsidies for the Group's research and development expenditures as well as construction for advanced manufacturing industry base. There are no unfulfilled conditions or other contingencies attaching to the grants recognised.

7 OTHER LOSSES – NET

	Year ended 31 December	
	2025	2024
	RMB'000	RMB'000
Net fair value losses on financial assets at FVPL	(1,129)	(1,511)
Net gains/(losses) on disposals of property, plant and equipment and intangible assets	633	(21)
Net fair value gains on derivative financial instruments	–	169
Net foreign exchange losses	(8,334)	(5,635)
Others	(765)	29
	(9,595)	(6,969)

8 LOSS BEFORE TAXATION

Loss before taxation is arrived at after charging:

	2025	2024
	RMB'000	RMB'000
(a) Finance income and costs:		
Finance income:		
Interest income on cash at banks	11,027	5,109
Finance cost:		
Interest on bank loans and other borrowings	9,242	7,350
Interest on lease liabilities	81	131
Total interest expense	9,323	7,481
Less: interest expense capitalised into properties under development*	(3,583)	(2,227)
	5,740	5,254

* During the year ended 31 December 2025, the interest rate applicable to the Group's capitalisation of borrowings costs in construction in progress was 2.30% – 2.40% (2024: 2.40% – 3.00%).



Notes to the Financial Statements

(Expressed in RMB unless otherwise indicated)

8 PROFIT BEFORE TAXATION (Continued)

	Note	2025 RMB'000	2024 RMB'000
(b) other items:			
Cost of inventories		886,946	1,131,190
Depreciation:			
– property, plant and equipment	14	17,760	11,715
– right-of-use assets	13	4,587	5,659
Research and development expenses (i)		322,784	280,651
Amortisation of intangible assets	15	11,878	7,606
Impairment losses on non-current assets		5,716	–
Auditors' remuneration of audit service		1,680	1,580

- (i) During the year ended 31 December 2025, staff costs and depreciation expenses in research and development expenses are RMB234,134,000 (2024: RMB190,040,000), which are also included in the total amounts disclosed separately above.

9 EMPLOYEE BENEFIT EXPENSES

	Year ended 31 December	
	2025 RMB'000	2024 RMB'000
Wages, salaries and bonuses	242,010	202,166
Share-based payment expenses (Note 26)	6,205	–
Pension obligations, housing funds, medical insurances and other social insurances (a)	43,000	35,758
Other employee benefits (b)	1,927	2,044
	293,142	239,968

(a) Pension obligations, housing funds, medical insurances and other social insurances

Full time employees of the Group in the PRC are members of a state-managed retirement benefit schemes operated by the PRC government. The Group is required to contribute a specified percentage of payroll costs, subject to certain ceiling, as determined by local government authority to the pension obligations, housing funds, medical insurances and other social insurances to fund the benefits. The Group's liabilities in respect of benefits schemes are limited to the contribution payable in each year.

No forfeited contributions were utilised during the year ended 31 December 2025 to offset the Group's contribution to the abovementioned retirement benefit schemes.



Notes to the Financial Statements

(Expressed in RMB unless otherwise indicated)

9 EMPLOYEE BENEFIT EXPENSES (Continued)

(b) Other employee benefits

Other employee benefits mainly include meal, traveling, transportation allowances and other allowances.

(c) Five highest paid individuals

The five individuals whose emoluments were the highest in the Group for the years ended 31 December 2025 include 2 (2024: 2) directors, whose emoluments are disclosed in the Note 35. The emoluments payable to the remaining 3 (2024: 3) highest paid individuals in 2025 are as follows:

	Year ended 31 December	
	2025	2024
	RMB'000	RMB'000
Wages and salaries	6,653	5,588
Bonuses	499	405
Pension obligations, housing funds, medical insurances and other social insurances	298	189
Other employee benefits	12	11
Share-based payment expenses	3,175	–
	<u>10,637</u>	<u>6,193</u>

The remaining highest paid individuals fell within the following bands:

	Year ended 31 December	
	2025	2024
Emolument bands		
HKD1,000,000-HKD1,500,000	–	1
HKD1,500,001-HKD2,000,000	1	1
HKD3,000,001-HKD3,500,000	–	1
HKD4,500,001-HKD5,000,000	1	–
HKD5,000,001-HKD5,500,000	1	–
	<u>1</u>	<u>–</u>

10 INCOME TAX EXPENSE

	Year ended 31 December	
	2025	2024
	RMB'000	RMB'000
Current income tax expense	–	–
Deferred income tax expense	84	–
Income tax expense	<u>84</u>	<u>–</u>



Notes to the Financial Statements

(Expressed in RMB unless otherwise indicated)

10 INCOME TAX EXPENSE (Continued)

The Group's principal applicable taxes and tax rates are as follows:

The Company was entitled to a preferential corporate income tax rate of 15% during the years ended 31 December 2025 and 2024. The Company obtained its High and New Technology Enterprises ("HNTE") qualification in year 2019, and hence it is entitled to a preferential tax rate of 15% for a three-year period commencing 2019. This qualification is subject to a requirement that the Company should reapply for HNTE qualification every three years. The Company re-applied for HNTE qualification, and the application was approved for another three-year period commencing 2025.

In accordance with the Public Notice Jointly Issued by the MOF and STA Regarding the Further Supporting of Preferential Tax Policies for Small and Micro Enterprises ("SMEs") and Individual Businesses (MOF&STA Public Notice [2023] No.12), for SMEs, the policy that their annual taxable income shall be reduced by 25% and subject to CIT at the rate of 20% was extended to 31 December 2027.

Except for iMotion Electronics Technology (Suzhou) Co., Ltd., and iMotion Automotive Technology (Jiaxing) Co., Ltd., the Company's subsidiaries qualified as small low-profit enterprises and enjoyed the above preferential income tax policy.

According to the relevant laws and regulations promulgated by the State Taxation Administration of the PRC, enterprises engaging in research and development activities are entitled to claim 175% from 2018 onwards (subsequently raised to 200% from 2021 onwards) of their research and development expenses incurred as tax deductible expenses when determining their assessable profits for that year (the "Super Deduction").

A reconciliation of the expected income tax calculated at the applicable corporate income tax rate and loss before income tax, with the actual corporate income tax is as follows:

	Year ended 31 December	
	2025	2024
	RMB'000	RMB'000
Loss before income tax	(416,471)	(288,339)
Notional tax on loss before taxation calculated at the rates applicable to the jurisdictions concerned	(104,182)	(71,408)
Tax effects of:		
Preferential tax rate	39,075	27,097
Expenses not deductible for taxation purposes	1,236	280
Super Deduction in respect of R&D expenditures	(38,538)	(38,819)
Utilisation of previously unrecognised tax losses	(736)	(578)
Tax losses for which no deferred income tax assets was recognised	91,677	82,414
Other Temporary differences for which no deferred income tax assets were recognised	11,384	1,014
Income tax expense	(84)	–



Notes to the Financial Statements

(Expressed in RMB unless otherwise indicated)

10 INCOME TAX EXPENSE (Continued)

As at 31 December 2025, the Group had unused tax losses of approximately RMB1,689,193,000 (2024: RMB1,068,850,000) that can be carried forward against future taxable income, respectively. No deferred income tax asset has been recognised in respect of such tax losses due to the unpredictability of future taxable income.

The Group principally conducted its business in Mainland China, where the accumulated tax losses will normally expire within 5 years. Pursuant to the relevant regulations on extension for expiries of unused tax losses of HNTe issued in August 2018, the expiry period of the accumulated unexpired tax losses of the Company, which is qualified as HNTe, from 2018 had been extended from 5 years to 10 years. The Company re-applied for HNTe status in 2025 and the approval was obtained in December 2025.

Deductible losses that are not recognised for deferred income tax assets will expire as follows:

	As at 31 December	
	2025	2024
	RMB'000	RMB'000
Expiry year		
2025	–	167
2026	654	654
2027	4,566	4,566
2028	28,268	27,731
2029	61,511	62,738
2030	82,643	54,205
2031	70,498	66,757
2032	77,343	74,318
2033	262,428	257,753
2034	521,552	519,961
2035	579,730	–
	1,689,193	1,068,850



Notes to the Financial Statements

(Expressed in RMB unless otherwise indicated)

11 LOSS PER SHARE

(a) Basic loss per share

Basic loss per share for the years ended 31 December 2025 and 2024 are calculated by dividing the loss attributable to the equity shareholders of the Company by the weighted average number of ordinary shares in issue during the year.

	Year ended 31 December	
	2025	2024
Loss attributable to the equity shareholders of the Company (RMB'000)	(415,828)	(288,339)
Weighted average number of ordinary shares outstanding (thousand shares) (Note)	244,600	226,330
Basic loss per share (expressed in RMB per share)	(1.70)	(1.27)

Note: The weighted average number of ordinary shares for the year ended 31 December 2025 was adjusted for the effect of the placing of new shares and the purchase of own shares in 2025 (as defined in Note 23) and the purchase of shares reserved for Share Award Scheme (as defined in Note 24).

(b) Diluted loss per share

Diluted loss per share is calculated by adjusting the weighted average number of ordinary shares outstanding to assume conversion of all dilutive instruments. For the year ended 31 December 2025 and 2024, diluted loss per share was the same as basic loss per share as there were no potentially dilutive ordinary shares outstanding during the years.



Notes to the Financial Statements

(Expressed in RMB unless otherwise indicated)

12 SUBSIDIARIES

(a) Subsidiaries of the Company

As at the date of this report, the Company has direct or indirect interests in the following subsidiaries:

Name of entity	Date of incorporation	Place of incorporation and kind of legal entity	Registered share capital <i>In thousand</i>	As at 31 December 2025	2024	Principal activities
Directly held:						
iMotion Automotive Technology (Changshu) Co., Ltd. 知行汽車科技(常熟)有限公司(i)(ii)	04 December 2017	Suzhou, China, limited liability company	RMB3,500	N/A	100%	Autonomous driving testing
iMotion Electronics Technology (Suzhou) Co., Ltd. 知辛電子科技(蘇州)有限公司(i)	19 June 2018	Suzhou, China, limited liability company	RMB40,000	100%	100%	Manufacturing and assembly of products
Shanghai Aimoxing Automobile Technology Co., Ltd. 上海艾摩星汽車科技有限公司(i)	15 September 2021	Shanghai, China, limited liability company	RMB4,000	100%	100%	Research and development
iMotion Automotive GmbH	17 October 2023	Germany, limited liability company	EUR100	100%	100%	Research and development
iMotion Automotive Technology (Hongkong) Co., Ltd. 知行汽車科技(香港)有限公司(ii)	06 December 2023	Hong Kong ("HK"), limited liability company	HKD100	100%	100%	Research and development
iMotion Automotive Technology (Jiaxing) Co., Ltd. 知行汽車科技(嘉興)有限公司(i)	15 January 2024	Jiaxing, China, limited liability company	RMB250,000	100%	100%	Manufacturing and assembly of products
IMOTION AUTOMOTIVE TECHNOLOGY (SINGAPORE) PTE. LTD.	28 August 2024	Singapore, limited liability company	SGD100	100%	100%	Research and development
Guangzhou Aimoxing Automobile Technology Co., Ltd. 廣州艾摩星汽車科技有限公司(i)	13 September 2024	Guangzhou, China, limited liability company	RMB10,000	100%	100%	Research and development
Wuhan Aimoxing Automobile Technology Co., Ltd. 武漢艾摩星汽車科技有限公司(i)	13 September 2024	Wuhan, China, limited liability company	RMB10,000	100%	100%	Research and development
Beijing Aimoxing Automobile Technology Co., Ltd. 北京艾摩星汽車科技有限公司(i)	16 October 2024	Beijing, China, limited liability company	RMB10,000	100%	100%	Research and development
Shenzhen Aimoxing Automobile Technology Co., Ltd. 深圳艾摩星汽車科技有限公司(i)	20 November 2024	Shenzhen, China, limited liability company	RMB1,000	100%	100%	Research and development
iMotion Robotics (Suzhou) Co., Ltd. 艾摩星機器人(蘇州)有限公司(i)	24 March 2025	Suzhou, China, limited liability company	RMB10,000	100%	N/A	Research and development
One Square Meter Power (Suzhou) Co., Ltd. 一平米動力(蘇州)有限公司	23 May 2018	Suzhou, China, limited liability company	RMB20,000	72%	N/A	Research and development
Suzhou Junhe Robot Co., Ltd. 蘇州君合機器人有限公司	30 May 2022	Suzhou, China, limited liability company	RMB5,000	43%	N/A	Research and development

(i) The English name of the subsidiaries represents the best effort by the management of the Group in translating their Chinese names as they do not have an official English name.

(ii) In December 2025, iMotion Automotive Technology (Changshu) Co., Ltd. was dissolved.



Notes to the Financial Statements

(Expressed in RMB unless otherwise indicated)

13 LEASES

(a) Amounts recognised in the consolidated financial position of the Group

The consolidated financial position shows the following amounts relating to leases:

	As at 31 December	
	2025	2024
	<i>RMB'000</i>	<i>RMB'000</i>
Right-of-use assets		
Land use rights (i)	29,390	30,524
Leased buildings (ii)	925	3,467
	30,315	33,991
Lease liabilities		
Current	974	2,949
Non-current	–	548
	974	3,497

- (i) In December 2021, the Group acquired land use right to construct headquarter building for manufacturing and research and development in Suzhou, Jiangsu Province, the PRC.
- (ii) Additions to leased buildings during the year ended 31 December 2025 were approximately RMB910,000 (2024: RMB5,165,000).



Notes to the Financial Statements

(Expressed in RMB unless otherwise indicated)

13 LEASES (Continued)

(b) Amounts recognised in consolidated statement of comprehensive loss of the Group

The consolidated statement of comprehensive loss shows the following amounts relating to leases:

	Year ended 31 December	
	2025	2024
	RMB'000	RMB'000
Depreciation charge of right-of-use assets		
Land use rights	1,135	1,135
Leased buildings	3,452	4,524
	4,587	5,659
Interest expenses (included in finance cost) (Note 8)	81	131
Expenses relating to short-term leases (included in cost of sales, administrative expenses and research and development expenses)	406	467
	487	598
	5,074	6,257

The total cash outflows for leases of buildings in 2025 were approximately RMB3,920,000 (2024: RMB4,693,000).

(c) The Group's leasing activities and how these are accounted for

In addition to land use right, the Group leases certain buildings. Rental contracts are typically made for fixed periods of 1.2 years to 2 years.

Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose any covenants other than the security interests in the leased assets that are held by the lessor. Leased assets may not be used as security for borrowing purposes.



Notes to the Financial Statements

(Expressed in RMB unless otherwise indicated)

14 PROPERTY, PLANT AND EQUIPMENT

	Buildings RMB'000	Machineries and molds RMB'000	Vehicles RMB'000	Electronic equipment and others RMB'000	Furniture RMB'000	Leasehold improvements RMB'000	Construction in progress RMB'000	Total RMB'000
Cost:								
At 1 January 2024	–	28,166	3,719	19,534	3,030	9,236	60,610	124,295
Additions	–	7,875	2,165	11,221	98	–	204,321	225,680
Transfers	–	12,262	–	1,046	–	–	(13,401)	(93)
Disposals	–	(390)	(4)	(61)	(18)	(370)	–	(843)
At 31 December 2024	–	47,913	5,880	31,740	3,110	8,866	251,530	349,039
At 1 January 2025	–	47,913	5,880	31,740	3,110	8,866	251,530	349,039
Exchange differences	–	3	14	9	–	–	–	26
Additions	–	11,406	40	8,027	461	638	125,049	145,621
Acquisition of subsidiaries	–	978	–	68	75	9	–	1,130
Transfers	348,857	250	–	–	1,964	–	(353,420)	(2,349)
Disposals	–	(5,976)	(162)	(2,312)	(715)	–	–	(9,165)
At 31 December 2025	348,857	54,574	5,772	37,532	4,895	9,513	23,159	484,302
Accumulated depreciation:								
At 1 January 2024	–	(9,800)	(1,669)	(9,819)	(1,824)	(6,939)	–	(30,051)
Exchange differences	–	–	–	–	–	–	–	–
Depreciation charged for the year (Note 8(b))	–	(4,255)	(670)	(4,623)	(316)	(1,851)	–	(11,715)
Disposal	–	136	85	58	6	928	–	1,213
At 31 December 2024	–	(13,919)	(2,254)	(14,384)	(2,134)	(7,862)	–	(40,553)
At 1 January 2025	–	(13,919)	(2,254)	(14,384)	(2,134)	(7,862)	–	(40,553)
Exchange differences	–	1	2	(3)	–	–	–	–
Depreciation charged for the year (Note 8(b))	(4,222)	(5,439)	(953)	(5,663)	(391)	(1,092)	–	(17,760)
Acquisition of subsidiaries	–	(572)	–	(59)	(64)	–	–	(695)
Disposal	–	5,280	47	2,127	555	–	–	8,009
At 31 December 2025	(4,222)	(14,649)	(3,158)	(17,982)	(2,034)	(8,954)	–	(50,999)
Net book value:								
At 31 December 2025	344,635	39,925	2,614	19,550	2,861	559	23,159	433,303
At 31 December 2024	–	33,994	3,626	17,356	976	1,004	251,530	308,486



Notes to the Financial Statements

(Expressed in RMB unless otherwise indicated)

14 PROPERTY, PLANT AND EQUIPMENT (Continued)

(a) Depreciation of property, plant and equipment charged to profit or loss is analysed as follows:

	Year ended 31 December	
	2025 RMB'000	2024 RMB'000
Research and development expenses	10,481	6,586
Cost of sales	4,929	4,246
Administrative expenses	2,290	862
Selling expenses	60	21
	17,760	11,715

15 INTANGIBLE ASSETS

	Automotive technology license (a) RMB'000	Software RMB'000	Patents (b) RMB'000	Total RMB'000
Cost:				
At 1 January 2024	–	23,143	–	23,143
Additions	31,132	3,149	–	34,281
Transfers	–	93	–	93
At 31 December 2024	31,132	26,385	–	57,517
At 1 January 2025	31,132	26,385	–	57,517
Additions	33,000	1,818	–	34,818
Additions through acquisition of subsidiaries	–	–	16,700	16,700
Transfers	–	2,349	–	2,349
Disposals	–	(610)	–	(610)
At 31 December 2025	64,132	29,942	16,700	110,774
Accumulated depreciation and amortisation:				
At 1 January 2024	–	(11,907)	–	(11,907)
Amortization charged for the year	(4,151)	(3,455)	–	(7,606)
At 31 December 2024	(4,151)	(15,362)	–	(19,513)
At 1 January 2025	(4,151)	(15,362)	–	(19,513)
Amortization charged for the year	(7,359)	(3,962)	(557)	(11,878)
Impairment loss	(5,716)	–	–	(5,716)
Disposal	–	610	–	610
At 31 December 2025	(17,226)	(18,714)	(557)	(36,497)
Net book value:				
At 31 December 2025	46,906	11,228	16,143	74,277
At 31 December 2024	26,981	11,023	–	38,004



Notes to the Financial Statements

(Expressed in RMB unless otherwise indicated)

15 INTANGIBLE ASSETS (Continued)

- (a) As at 31 December 2025, management identified impairment indicators on automotive technology license. Based on the impairment tests performed, impairment losses of RMB5,716,000 were recognised in profit or loss.
- (b) The fair value of the patents are determined based on the excess earnings method, by considering the present value of net cash flows expected to be generated by the underlying intangible assets and excluding any cash flows related to contributory assets.
- (c) Amortisation of intangible assets has been charged to profit or loss for the years ended 31 December 2025 and 2024 as follows:

	Year ended 31 December	
	2025	2024
	RMB'000	RMB'000
Research and development expenses	7,657	5,516
Administrative expenses	737	703
Cost of sales	3,484	1,387
	11,878	7,606

16 OTHER NON-CURRENT ASSETS

	As at 31 December	
	2025	2024
	RMB'000	RMB'000
Contract fulfillment costs (a)	–	1,825
Prepayment for property, plant and equipment	19,977	7,148
Capitalised upfront fee (b)	3,500	5,250
Less: Non-current capitalized upfront fee to be amortised within one year (Note 20)	(1,750)	(1,750)
	1,750	3,500
Loans to shareholders (c)	2,839	13,936
	24,566	26,409



Notes to the Financial Statements

(Expressed in RMB unless otherwise indicated)

16 OTHER NON-CURRENT ASSETS (Continued)

- (a) The amortisation of contract fulfillment costs charged to cost of sales was RMB48,892,000 (2024: RMB31,503,000) for the year ended 31 December 2025.
- (b) Capitalised upfront fee represents the payments to customers made by the Group when the customers first entered into a contract with the Group, which are amortised as a reduction of revenue over the expected transfer of relevant goods and services. The amount of amortisation recognised as a reduction of revenue was RMB1,750,000 (2024: RMB1,750,000) for the year ended 31 December 2025.

As at 31 December 2025, there have been no impairment losses in relation to the capitalised upfront fee.

- (c) On July 2024, the Company (as the lender) entered into loan agreements with Mr. Song Yang and another shareholder of the Company, pursuant to which the Company agreed to grant the loans in the amount of RMB11,000,000 to Mr. Song Yang and RMB2,700,000 to another shareholder in accordance with the terms and conditions of the loan agreement. The interest rate on the loan is 3.45% per annum with a fixed term of 3 years. As at 31 December 2025, Mr. Song Yang has repaid the loan and interests.



Notes to the Financial Statements

(Expressed in RMB unless otherwise indicated)

17 INVENTORIES

	As at 31 December	
	2025 RMB'000	2024 RMB'000
Raw materials	81,850	145,526
Work in progress	7,923	9,840
Finished goods	235,749	146,283
	<u>325,522</u>	<u>301,649</u>
Less: provisions for impairment	<u>(33,979)</u>	<u>(2,706)</u>
	<u>291,543</u>	<u>298,943</u>

(a) The analysis of the amount of inventories recognised as an expense and included in profit or loss is as follows:

	As at 31 December	
	2025 RMB'000	2024 RMB'000
Carrying amount of inventories sold	886,946	1,131,190
Write down of inventories	31,273	2,563
	<u>918,219</u>	<u>1,133,753</u>



Notes to the Financial Statements

(Expressed in RMB unless otherwise indicated)

18 TRADE AND NOTES RECEIVABLES

	As at 31 December	
	2025	2024
	RMB'000	RMB'000
Trade receivables (a)	236,631	227,360
Notes receivables	7,446	–
Loss allowance	(11,997)	(5,239)
Total	232,080	222,121

The carrying amounts of the Group's trade receivables, excluding loss allowance, are denominated in the following currencies:

	As at 31 December	
	2025	2024
	RMB'000	RMB'000
RMB	233,525	220,014
USD	3,081	7,333
EUR	25	13
	236,631	227,360

(a) Trade receivables

(i) Aging analysis of the trade receivables

As at 31 December 2025 and 2024, the aging analysis of the trade receivables based on date of revenue recognition is as follows:

	As at 31 December	
	2025	2024
	RMB'000	RMB'000
Within 3 months	214,414	206,577
3 to 6 months	5,973	7,132
6 to 12 months	7,704	658
Over 12 months	8,540	12,993
Total	236,631	227,360



Notes to the Financial Statements

(Expressed in RMB unless otherwise indicated)

18 TRADE AND NOTES RECEIVABLES (Continued)

(a) Trade receivables (Continued)

(ii) Fair values of the trade receivables

Due to the short-term nature of the current receivables, their carrying amounts are considered to be approximately the same as their fair values.

(iii) Impairment and risk exposure

Trade receivables

The Group applies the IFRS 9 simplified approach to measure expected credit losses which uses a lifetime expected loss allowance for all trade receivables. Details of the allowance for impairment and the movement in the allowance balance has been set out in Note 3.1(b).

19 FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

The financial assets at fair value through other comprehensive income comprise:

- Debt securities where the contractual cash flows are solely principal and interest and the objective of the Group's business model is achieved both by collecting contractual cash flows and selling financial assets.

	As at 31 December	
	2025	2024
	RMB'000	RMB'000
Current		
Debt investments		
– bank acceptance notes (a)	30,012	95,768

(a) As at 31 December 2025, notes receivable were bank acceptance notes aged less than six months.



Notes to the Financial Statements

(Expressed in RMB unless otherwise indicated)

20 OTHER CURRENT ASSETS

	As at 31 December	
	2025	2024
	RMB'000	RMB'000
Other receivables (a)		
– Refundable deposits (i)	1,665	3,752
– Payments on behalf of employees	–	338
– Others	1,039	3,433
	2,704	7,523
Loss allowance	(58)	(450)
	2,646	7,073
Prepayments for (b)		
– raw materials to third parties	514	109
– capitalised upfront fee (Note 16)	1,750	1,750
– other operating expenses	5,016	10,891
	7,280	12,750
Contract fulfillment costs	59,492	42,649
Less: provisions for impairment of contract fulfillment costs	(21,647)	(2,249)
	37,845	40,400
Input VAT to be deducted (c)	876	33,177
Total other current assets	48,647	93,400

As at 31 December 2025, the fair values of other current assets of the Group, except for the prepayments and input VAT to be deducted which are not financial assets, approximated their carrying amounts.

(a) Other receivables

(i) Refundable deposits

Refundable deposits consist primarily of security deposits for rental of buildings and customs deposits.

Credit risk in respect of other receivables is limited since the balance mainly includes Refundable deposits. The Company measures loss allowances for other receivables at an amount equal to 12-month ECLs unless there has been a significant increase in credit risk since initial recognition, in which case the loss allowance is measured at an amount equal to lifetime ECLs. The Company assessed that there is no significant loss allowance recognised in accordance with IFRS 9 for other receivables as at 31 December 2025 and 2024.



Notes to the Financial Statements

(Expressed in RMB unless otherwise indicated)

20 OTHER CURRENT ASSETS (Continued)

- (b) The prepayments represented prepayments to third parties during the reporting period.
- (c) Input VAT to be deducted are mainly input VAT arisen from the acquisition of property, plant and equipment, intangible assets and materials. According to Announcement of the General Administration of Taxation and Customs of the Ministry of Finance on Policies for Deepening the Reform of Value-Added Tax (Announcement of the General Administration of Taxation and Customs of the Ministry of Finance, (2019) No. 39), enterprises with value-added tax recoverable balance can, starting from 1 April 2019, apply for value-added tax credit refund.

21 FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

(a) Classification of financial assets at FVPL

The Group classifies the followings as financial assets at FVPL:

- debt investments that do not qualify for measurement at either amortised cost or FVOCI
- equity investments that are held for trading, and
- equity investments for which the Group has not elected to recognise fair value gains and losses through OCI.

The Group's financial assets measured at FVPL include the following:

	As at 31 December	
	2025	2024
	RMB'000	RMB'000
Non-current assets		
Unlisted investment	3,500	4,778
Investment in private funds	6,500	–
	10,000	4,778
Current assets		
Investments in wealth management products issued by banks and financial institutes	300,468	113,352
Investment in private funds	–	110,556
	300,468	223,908

Information about the Group's exposure to financial risk and information about the methods and assumptions used in determining fair value of these financial assets at FVPL are set out in Note 3.3(c).



Notes to the Financial Statements

(Expressed in RMB unless otherwise indicated)

22 CASH AND CASH EQUIVALENTS AND RESTRICTED CASH

(a) Cash and cash equivalents

	As at 31 December	
	2025	2024
	RMB'000	RMB'000
Cash at banks	260,761	215,114
Less: restricted cash (b)	(62)	(34,000)
Cash and cash equivalents	260,699	181,114

The maximum exposure to credit risk at the reporting date is the carrying values of cash and cash equivalents and restricted cash as mentioned above.

(b) Restricted cash

As at 31 December 2024, restricted cash with amount of RMB34,000,000 represented cash in transit used to purchase wealth management products reserved in an intermediary bank.

Cash and cash equivalents are denominated in:

	As at 31 December	
	2025	2024
	RMB'000	RMB'000
RMB	111,539	28,988
HKD	24,128	148,667
USD	124,021	2,792
EUR	1,011	667
	260,699	181,114



Notes to the Financial Statements

(Expressed in RMB unless otherwise indicated)

23 SHARE CAPITAL

(a) A summary of movements in the Company's authorised, issued and fully paid share capital is as follows:

	Number of authorised/Issued shares	Share capital RMB'000
As at 1 January 2025	230,757,340	230,757
Placing of new shares (i)	26,686,000	26,686
Share purchased under Share Award Scheme (Note 26(a))	(4,433,600)	(4,434)
Share vested under Share Award Scheme (Note 26(a))	401,150	401
Repurchase of ordinary shares	(774,200)	(774)
As at 31 December 2025	252,636,690	252,636
As at 1 January 2024	226,330,340	226,330
Placing of new shares	4,427,000	4,427
As at 31 December 2024	230,757,340	230,757

(i) On 17 February 2025, the Company placed 11,190,200 new ordinary shares at the subscription price of HK\$20.88 per share. The gross proceeds of HK\$233,651,000 (equivalent to RMB215,216,000), net of direct share placement expenses of RMB5,034,000, were raised, of which RMB11,191,000 and RMB198,991,000 was credited to share capital and share premium account, respectively.

On 21 July 2025, the Company placed 15,495,000 new ordinary shares at the subscription price of HK\$15.22 per share. The gross proceeds of HK\$235,834,000 (equivalent to RMB214,904,000), net of direct share placement expenses of RMB4,612,000, were raised, of which RMB15,495,000 and RMB194,797,000 was credited to share capital and share premium account, respectively.

(b) Repurchase of own shares

During the year, the company repurchased its own ordinary shares on The Stock Exchange of Hong Kong Limited as follows:

Month/year	Number of shares repurchased	Highest price paid per share HKD	Lowest price paid per share HKD	Aggregate price paid HKD'000
December 2025	774,200	6.16	5.55	4,446
				4,446



Notes to the Financial Statements

(Expressed in RMB unless otherwise indicated)

24 RESERVES

	Share premium RMB'000	Special reserves RMB'000	Reserves		Total RMB'000
			Other reserves RMB'000	Foreign currency translation RMB'000	
As at 1 January 2024	1,012,184	-	105,588	8	1,117,780
Placing of new shares (Note 23(a))	63,211	-	-	-	63,211
Currency translation differences	-	-	-	17	17
Provision of safety fund surplus reserve (b)	-	267	-	-	267
Utilisation of safety fund surplus reserve (b)	-	(267)	-	-	(267)
As at 31 December 2024	1,075,395	-	105,588	25	1,181,008
As at 1 January 2025	1,075,395	-	105,588	25	1,181,008
Placing of new shares (Note 23(a))	393,788	-	-	-	393,788
Currency translation differences	-	-	-	(158)	(158)
Share acquired under Share Award Scheme (Note 26(a))	-	-	(38,766)	-	(38,766)
Share vested under Share Award Scheme (Note 26(a))	998	-	4,806	-	5,804
Repurchase of ordinary shares	(3,272)	-	-	-	(3,272)
Provision of safety fund surplus reserve (b)	-	422	-	-	422
Utilisation of safety fund surplus reserve (b)	-	(422)	-	-	(422)
As at 31 December 2025	1,466,909	-	71,628	(133)	1,538,404

- (a) The Group recorded other reserves to reflect the contributions from shareholders for Share Award Scheme of employees (Note 26).
- (b) According to the Administrative Measures for the Collection and Utilisation of Enterprise Work Safety Funds (Cai Zi [2022] No. 136) jointly issued by the Ministry of Finance and the State Administration of Emergency Management, the Company and its subsidiary, iMotion Electronics Technology (Suzhou) Co., Ltd. is required to establish a safety fund surplus reserve based on a certain percentage of the prior year's revenue during the year ended 31 December 2025.



Notes to the Financial Statements

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25 ACQUISITION OF SUBSIDIARIES

In August 2025, the Group acquired 65% of equity interest of One Square Meter Power (Suzhou) Co., Ltd. (一平米動力(蘇州)有限公司) (“One Square Meter”), a company established in the PRC with limited liability, at a total cash consideration of RMB6,000,000 paid to existing shareholders and of RMB1,200,000 through capital injection. One Square Meter is principally engaged in the provision of intelligent integrated joints and customized robotic arms.

The fair value of the identifiable assets and liabilities of One Square Meter as at the date of acquisition was as below:

	At 31 August 2025 Fair value recognised on acquisition RMB'000
Intangible assets	16,700
Property, plant and equipment	435
Trade and other receivables	7,945
Cash and cash equivalents	589
Inventories	658
Trade and other payables	(2,950)
Deferred tax liabilities	(2,505)
Total identifiable net assets	20,872
Less: non-controlling interests, based on their proportionate interest in the total identifiable net assets acquired	(5,844)
Total identifiable net assets acquired by the Group	15,028
Total cash consideration through share transfer and capital injection	(15,000)
Net gain from acquisition of a subsidiary	28

The net gain from acquisition of subsidiary represents the excess of the net fair value of the acquiree's identifiable net assets as at the acquisition date over the fair value of the consideration to be transferred and has been recognised immediately in profit or loss.



Notes to the Financial Statements

(Expressed in RMB unless otherwise indicated)

26 SHARE-BASED PAYMENT

(a) Share Award Schemes

Suzhou Lanchi Enterprise Management L.P. (蘇州藍馳管理諮詢企業(有限合夥)) (“Suzhou Lanchi”) and Suzhou Zichi Enterprise Management L.P. (蘇州紫馳管理諮詢企業(有限合夥)) (“Suzhou Zichi”), (collectively referred to as the “Vehicles”) were incorporated in the PRC under the Company Law of the PRC as a vehicle to hold the ordinary shares for the Company’s employees under the Employee Share Ownership Plan (the “ESOP”).

As the Company did not have power to govern the relevant activities of the Vehicles nor repurchase or settlement obligations but only derive benefits from the contributions of the eligible employees who are awarded with the shares under the ESOP, the directors of the Company consider it does not control and not to consolidate the Vehicles. No statutory financial statements had been prepared by the Vehicles during the year ended 31 December 2024.

In July 2022, 145,195 RSUs were granted to certain directors, managements and employees (the “Grantees”) at a consideration of RMB4.75 per share under the ESOP through Suzhou Lanchi and Suzhou Zichi as rewards for their services, full time devotion and professional expertise to the Group.

In February 2023, 137,700 RSUs were granted to certain directors, managements and employees (the “Grantees”) at a consideration of RMB4.75 per share under the ESOP through Suzhou Lanchi and Suzhou Zichi as rewards for their services, full time devotion and professional expertise to the Group.

The fair value of the restricted shares granted to employees is determined by using the discounted cash flow method and back-solve method to determine the underlying equity fair value of the Company and equity allocation based on Option Pricing Model (“OPM”) model to determine the fair value of common shares. Significant estimates on key assumptions, such as risk-free interest rate, volatility, and dividend yield are made based on management’s best estimates.

All the shares granted mentioned above are vested if Grantees remain as employees of the Group as at the IPO date. Therefore, all the shares are granted and vested as at and 31 December 2023.

In July 2024, the Company adopted a share award scheme (the “Share Award Scheme”) for H shares of the Company, 2,154,000 shares were granted to certain directors, managements and employees (the “Grantees”) at a consideration of RMB5.00 per share to provide incentives to retain them for their contributions to the ongoing operation and development of the Group. As at 31 December 2025, 401,150 of 2,154,000 shares were vested.

During the year ended 31 December 2025, the Company acquired 4,433,600 ordinary shares through the designated trustees under the Share Award Scheme at a total consideration of HKD46,982,000 (for the year ended 31 December 2024: Nil).



Notes to the Financial Statements

(Expressed in RMB unless otherwise indicated)

26 SHARE-BASED PAYMENT (Continued)

(b) Expenses arising from share-based payment transactions

Total expenses arising from share-based payment transactions recognised during the year as part of employee benefit expense were as follows:

	Year ended 31 December	
	2025	2024
	RMB'000	RMB'000
Share-based payment expenses	6,205	–

27 FINANCIAL INSTRUMENTS BY CATEGORY

The Group holds the following financial instruments:

	As at 31 December	
	2025	2024
	RMB'000	RMB'000
Financial assets		
Financial assets at amortised cost:		
– Trade and notes receivables (Note 18)	232,080	222,121
– Other receivables (Note 20)	2,646	7,073
– Cash and cash equivalents (Note 22)	260,699	181,114
– Restricted cash (Note 22)	62	34,000
Financial assets at FVPL (Note 21)	310,468	228,686
Financial assets at FVOCI (Note 19)	30,012	95,768
	835,967	768,762
Financial liabilities		
Liabilities at amortised cost:		
– Borrowings (Note 28)	478,294	314,898
– Trade payables (Note 31)	160,588	114,918
– Other payables and accruals (excluding payroll and welfare payables and other tax payables) (Note 32)	139,433	146,996
– Lease liabilities (Note 13)	974	3,497
	779,289	580,309

The Group's exposure to various risks associated with the financial instruments is discussed in Note 3. The maximum exposure to credit risk at end of the reporting period is the carrying amount of each class of financial assets mentioned above.



Notes to the Financial Statements

(Expressed in RMB unless otherwise indicated)

28 BORROWINGS

	As at 31 December	
	2025	2024
	RMB'000	RMB'000
Borrowings included in non-current liabilities:		
<i>Secured</i>		
Bank borrowings (a)	240,614	170,173
<i>Unsecured</i>		
Bank borrowings (b)	58,000	–
	298,614	170,173
Borrowings included in current liabilities:		
<i>Secured</i>		
Bank borrowings (a)	33,422	–
<i>Unsecured</i>		
Bank borrowings (b)	82,000	114,500
Other loans (c)	64,000	30,000
Interest payables	258	225
	179,680	144,725
Total borrowings	478,294	314,898

- (a) The Group has pledged its land use rights with carrying amounts of approximately RMB29,390,000 (31 December 2024: RMB30,524,000) to bank as the security for the long-term bank borrowings of RMB274,036,000 (31 December 2024: RMB170,173,000) as at 31 December 2025. The Group's long-term interest-bearing borrowings were RMB-denominated borrowings with floating rates linked to Loan Prime Rate. Interest is payable quarterly. The principal for the borrowings is payable in batches from 21 June 2026 to 14 November 2033.
- (b) As at 31 December 2025, the Company had borrowings from PRC banks with amounts totalling RMB140,000,000 (31 December 2024: RMB114,500,000) and effective interest rates from 2.17% to 2.60% per annum (31 December 2024: 2.58% to 2.95%), respectively.
- (c) As at 31 December 2025, borrowings of RMB64,000,000 (31 December 2024: RMB30,000,000) comprise of short-term borrowings as obtained from financing of letter of credit.



Notes to the Financial Statements

(Expressed in RMB unless otherwise indicated)

28 BORROWINGS (Continued)

(d) Other disclosures

During the years ended 31 December 2025 and 2024, the Group had not been in violation of any of the covenants nor subject to material financial covenants pursuant to the applicable borrowing agreements that the Group entered with the lenders.

The exposure of the Group's borrowings to interest rate changes and the contractual repricing dates or maturity date, whichever is earlier, were as follows:

	As at 31 December	
	2025	2024
	RMB'000	RMB'000
Less than 6 months	27,711	44,500
Between 6 and 12 months	151,711	100,000
Between 1 and 2 years	43,778	33,423
Between 2 and 5 years	217,919	118,939
Over 5 years	36,917	17,811
	478,036	314,673

The fair values of borrowings approximate their carrying amount as the discounting impact is not significant.

As at 31 December 2025 and 2024, the Group had the following undrawn bank facilities:

	As at 31 December	
	2025	2024
	RMB'000	RMB'000
RMB facilities	671,064	509,827



Notes to the Financial Statements

(Expressed in RMB unless otherwise indicated)

29 PROVISIONS

	As at 31 December	
	2025 RMB'000	2024 RMB'000
Non-current		
Warranties (ii)	7,429	7,983
	7,429	7,983
Current		
Onerous contract to be executed (i)	1,700	700
Warranties	3,715	3,992
	5,415	4,692
	12,844	12,675

- (i) The Group entered into irrevocable contracts with certain customers to provide autonomous driving related R&D services. The costs estimated to execute the contracts exceed the expected revenue to be received under the contracts. As at 31 December 2025, the Group has recognised provision for any excess of unavoidable costs over expected benefits after the contract fulfillment cost have been tested for impairment (Note 20).
- (ii) The Group provides warranties for certain products and undertakes the obligation to repair or replace items that fail to perform satisfactorily. The amount of provisions for product warranties is estimated based on the sales volume and industry experience of the level of repairs and returns. The estimation is reviewed on an ongoing basis and is revised when appropriate.

The movements of the Group's provisions are analysed as follows:

	Onerous contract to be executed RMB'000	Warranties RMB'000	Total RMB'000
As at 1 January 2025	700	11,975	12,675
Provisions for the year	1,700	8,776	10,476
Amounts utilised during the year	(700)	(9,607)	(10,307)
As at 31 December 2025	1,700	11,144	12,844
As at 1 January 2024	1,039	10,660	11,699
Provisions for the year	700	11,564	12,264
Amounts utilised during the year	(1,039)	(10,249)	(11,288)
As at 31 December 2024	700	11,975	12,675



Notes to the Financial Statements

(Expressed in RMB unless otherwise indicated)

30 DEFERRED INCOME

	As at 31 December	
	2025 RMB'000	2024 RMB'000
Government grants	3,280	3,066

The Group received these government grants mainly for subsidizing the Group's purchases of equipment for research and development, which were recorded as deferred income and credited to profit or loss on a straight-line basis over the useful lives of the related equipment.

31 TRADE PAYABLES

	As at 31 December	
	2025 RMB'000	2024 RMB'000
Trade payables		
– Payables for materials	160,588	114,918
	160,588	114,918

- (a) The carrying amounts of trade payables approximate their fair values due to their short-term maturity in nature.
- (b) The aging analysis of the trade payables based on purchase date at the end of each reporting period is as follows:

	As at 31 December	
	2025 RMB'000	2024 RMB'000
Within 1 year	160,588	114,918

32 OTHER PAYABLES AND ACCRUALS

	As at 31 December	
	2025 RMB'000	2024 RMB'000
Payroll and welfare payables	41,088	36,797
Accruals	19,642	39,019
Other taxes payables	10,195	2,762
Payables for purchases of property, plant and equipment	78,126	82,816
Others (a)	41,665	25,161
	190,716	186,555



Notes to the Financial Statements

(Expressed in RMB unless otherwise indicated)

32 OTHER PAYABLES AND ACCRUALS (Continued)

- (a) The Group agreed to collect service fees from an OEM customer and pay on behalf of the customer to a supplier, who provided part of the R&D services in relation to its hardware and software used in autonomous driving products. As at 31 December 2025, the service fees collected by the Company from the customer but unpaid to the supplier were approximately RMB37,496,000 (2024: RMB21,990,000).

33 CASH FLOW INFORMATION

(a) Reconciliation of loss before income tax to net cash used in operations

	Year ended 31 December	
	2025	2024
	RMB'000	RMB'000
Loss before income tax	(416,555)	(288,339)
Adjustments for:		
Income tax (Note 3.1)	84	–
Impairment losses on financial assets (Note 3.1)	6,366	1,899
Depreciation of property, plant and equipment (Note 14)	17,760	11,715
Depreciation of right-of-use assets (Note 13)	4,587	5,659
Amortisation of intangible assets (Note 15)	11,878	7,606
Impairment losses on non-current assets (Note 15)	5,716	–
Net (gains)/losses on disposals of property, plant and equipment and intangible assets (Note 7)	(633)	21
Provisions for impairment of inventories	31,273	2,563
Provisions for impairment of contract fulfillment costs	19,398	593
Share-based payment expenses (Note 26)	6,205	–
Net fair value losses on financial assets at FVPL (Note 7)	1,129	1,511
Net fair value gains on derivative financial instruments (Note 7)	–	(169)
Finance (income)/costs – net	(5,287)	145
Amortisation of government grants	214	(482)
Net foreign exchange differences	3,744	(3,303)
Operating loss before changes in working capital:	(314,121)	(260,581)
Increase in inventories	(23,873)	(45,008)
Increase in trade and notes receivables	(16,717)	(10,233)
Increase in restricted cash	(62)	(33,694)
Decrease/(increase) in other operating assets	92,513	(33,930)
Increase/(decrease) in trade payables	45,670	(70,385)
Increase in other payables and accruals	36,093	32,572
(Decrease)/increase in contract liabilities	(5,999)	10,191
Increase in provisions	169	976
Net cash used in operations	(186,327)	(410,092)



Notes to the Financial Statements

(Expressed in RMB unless otherwise indicated)

33 CASH FLOW INFORMATION (Continued)

(b) Major non-cash investing and financing activities

Major non-cash investing and financing activities disclosed in other notes are:

- additions to right-of-use assets in respect of leased buildings (Note 13).

(c) Net cash

	As at 31 December	
	2025	2024
	RMB'000	RMB'000
Cash and cash equivalents (Note 22)	260,699	181,114
Financial assets at fair value through profit or loss (Note 21)	310,468	228,686
Lease liabilities (Note 13)	(974)	(3,497)
Borrowings (Note 28)	(478,294)	(314,898)
Net cash	91,899	91,405

(d) Reconciliation of liabilities from financing activities

	Lease liabilities	Borrowings	Total
	RMB'000	RMB'000	RMB'000
As at 1 January 2025	3,497	314,898	318,395
Cash flows	(3,514)	154,155	150,642
New leases	910	–	909
Interest expenses	81	9,241	9,322
As at 31 December 2025	974	478,294	479,268
As at 1 January 2024	2,427	225,657	228,084
Cash flows	(4,226)	81,767	77,541
New leases	5,165	–	5,165
Interest expenses	131	7,474	7,605
As at 31 December 2024	3,497	314,898	318,395



Notes to the Financial Statements

(Expressed in RMB unless otherwise indicated)

33 CASH FLOW INFORMATION (Continued)

(e) Net cash outflow arising from the acquisition of a subsidiary

The recognised amounts of assets acquired and liabilities at the date of acquisition of the subsidiary comprise the following:

	<i>RMB'000</i>
Consideration paid in cash	7,200
Less: cash of subsidiary acquired	(589)
	<u>6,611</u>

34 RELATED PARTY TRANSACTIONS

Parties are considered to be related if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions. Parties are also considered to be related because they are subject to common control, common significant influence or joint control in the controlling shareholder's families. Members of key management and their close family member of the Group are also considered as related parties.

(a) Key management personnel compensation

The directors consider the key management personnel to be the members of the Board of Directors of the Company who have responsibilities for planning, directing and controlling the activities of the Group. Their compensations are disclosed in Note 35(a).

(b) Financing arrangements

	Amounts owed by the group to related parties as at 31 December	
	2025	2024
	<i>RMB'000</i>	<i>RMB'000</i>
Loans to shareholders and related interests (i)	<u>2,839</u>	<u>13,936</u>

(i) No loss allowances have been made in respect of these loans.



Notes to the Financial Statements

(Expressed in RMB unless otherwise indicated)

35 BENEFITS AND INTERESTS OF DIRECTORS

(a) Directors and supervisors

Details of the emoluments paid or payable to the directors and supervisors for the years ended 31 December 2025 and 2024 are set out as follows:

	Fees RMB'000	Wages and salaries RMB'000	Discretionary bonuses RMB'000	Share- based payment RMB'000	Social security costs, housing benefits and employee welfare RMB'000	Total RMB'000
Year ended 31 December 2025						
Name of directors:						
Mr. Song Yang (i)	-	3,100	398	-	105	3,603
Mr. Li Shuangjiang (ii)	-	802	-	-	43	845
Mr. Lu Yukun (iii)	-	1,176	151	-	105	1,432
Mr. Li Chengsheng (iv)	-	-	-	-	-	-
Mr. Tao Zhixin (v)	-	-	-	-	-	-
Mr. Yang Yuankui (vi)	-	-	-	-	-	-
Mr. Zhang Weigong (vii)	111	-	-	-	-	111
Mr. Liu Yong (viii)	111	-	-	-	-	111
Ms. Xue Rui (ix)	120	-	-	-	-	120
Ms. Jiang Jingfang (x)	-	4,200	245	1,143	1	5,589
Ms. Liu Fang (xi)	-	960	185	-	105	1,250
	<u>342</u>	<u>10,238</u>	<u>979</u>	<u>1,143</u>	<u>359</u>	<u>13,061</u>
Name of supervisor:						
Mr. Luo Hong (xii)	-	812	-	-	43	855
Mr. Wang Binjie (xiii)	-	860	119	-	105	1,084
Mr. Zhu Qinghua (xiv)	-	1,050	162	-	104	1,316
Ms. Gao Liyun (xv)	-	1,049	86	-	105	1,240
	<u>-</u>	<u>3,771</u>	<u>367</u>	<u>-</u>	<u>357</u>	<u>4,495</u>



Notes to the Financial Statements

(Expressed in RMB unless otherwise indicated)

35 BENEFITS AND INTERESTS OF DIRECTORS (Continued)

(a) Directors and supervisors (Continued)

	Fees RMB'000	Wages and salaries RMB'000	Discretionary bonuses RMB'000	Share- based payment RMB'000	Social security costs, housing benefits and employee welfare RMB'000	Total RMB'000
Year ended 31 December 2024						
Name of directors:						
Mr. Song Yang (i)	-	1,740	306	-	99	2,145
Mr. Li Shuangjiang (ii)	-	870	67	-	99	1,036
Mr. Lu Yukun (iii)	-	1,136	162	-	99	1,397
Mr. Li Chengsheng (iv)	-	-	-	-	-	-
Mr. Tao Zhixin (v)	-	-	-	-	-	-
Mr. Yang Yuankui (vi)	-	-	-	-	-	-
Mr. Zhang Weigong (vii)	100	-	-	-	-	100
Mr. Liu Yong (viii)	100	-	-	-	-	100
Ms. Xue Rui (ix)	120	-	-	-	-	120
	<u>320</u>	<u>3,746</u>	<u>535</u>	<u>-</u>	<u>297</u>	<u>4,898</u>
Name of supervisor:						
Mr. Luo Hong (xii)	-	894	89	-	99	1,082
Mr. Wang Binjie (xiii)	-	824	148	-	99	1,071
Mr. Zhu Qinghua (xiv)	-	1,006	144	-	99	1,249
	<u>-</u>	<u>2,724</u>	<u>381</u>	<u>-</u>	<u>297</u>	<u>3,402</u>



Notes to the Financial Statements

(Expressed in RMB unless otherwise indicated)

35 BENEFITS AND INTERESTS OF DIRECTORS (Continued)

(a) Directors and supervisors (Continued)

- (i) Mr. Song Yang was reappointed as the executive Director and Chairman on 17 November 2022.
- (ii) Mr. Li Shuangjiang was appointed as the director of the Company on 31 August 2018 and reappointed as an executive Director on 17 November 2022 and resigned from the Company's executive Director on 14 November 2025.
- (iii) Mr. Lu Yukun was appointed as the director of the Company on 31 August 2018 and reappointed as an executive Director on 17 November 2022.
- (iv) Mr. Li Chengsheng was appointed as the director of the Company on 31 August 2018 and was reappointed as a non-executive Director on 17 November 2022 and resigned from the Company's non-executive director on 11 April 2025.
- (v) Mr. Tao Zhixin was appointed as the non-executive Director on 17 November 2022 and resigned from the Company's non-executive director on 2 May 2025.
- (vi) Mr. Yang Yuankui was appointed as the non-executive director of the Company on 23 March 2023 and resigned from the Company's non-executive director on 25 April 2025.
- (vii) Mr. Zhang Weigong was appointed as an independent non-executive director of the Company on 17 November 2022.
- (viii) Mr. Liu Yong was appointed as an independent non-executive director of the Company on 17 November 2022 and resigned from the Company's independent non-executive director on 15 January 2026.
- (ix) Ms. Xue Rui was appointed as an independent non-executive director of the Company on 20 December 2023.
- (x) Ms. Jiang Jingfang was appointed as the executive director of the Company on 20 June 2025 and her remuneration disclosed above includes those for services rendered by her as employee.
- (xi) Ms. Liu Fang was appointed as the executive director of the Company on 20 June 2025 and her remuneration disclosed above includes those for services rendered by her as employee.
- (xii) Mr. Luo Hong was appointed as the supervisor of the Company on 31 August 2018 and resigned from the Company's supervisor on 9 May 2025.
- (xiii) Mr. Wang Binjie was appointed as a supervisor on 17 November 2022.
- (xiv) Mr. Zhu Qinghua was appointed as the director of the Company on 24 June 2020 and resigned from the Company's director on 17 November 2022. Mr. Zhu Qinghua was appointed as the supervisor of the Company on 17 November 2022.
- (xv) Ms. Gao Liyun was appointed as a supervisor on 9 May 2025 and her remuneration disclosed above include those for services rendered by her as employee.



Notes to the Financial Statements

(Expressed in RMB unless otherwise indicated)

35 BENEFITS AND INTERESTS OF DIRECTORS (Continued)

(b) Directors and supervisors' retirement benefits

None of the directors or supervisors received any retirement benefits during the years ended 31 December 2025 and 2024.

(c) Directors and supervisors' termination benefits

Li Shuangjiang received termination benefits of RMB416,000 and Luo Hong received termination benefits of RMB416,000 during the year ended 31 December 2025 and none of the directors or supervisors received any termination benefits during the year ended 31 December 2024.

(d) Consideration provided to third parties for making available directors and supervisors' services

During the years ended 31 December 2025 and 2024., the Company did not pay consideration to any third parties for making available directors or supervisors' services.

(e) Information about loans, quasi-loans and other dealings in favor of directors, supervisors and bodies corporate controlled by or entities connected with directors

On July 2024, the Company (as the lender) entered into loan agreements with Mr. Song Yang and another director of the Company, pursuant to which the Company agreed to grant the loans in the amount of RMB11,000,000 to Mr. Song Yang and RMB2,700,000 to another director in accordance with the terms and conditions of the loan agreement.

As at 31 December 2025, Mr. Song Yang has repaid the loan and interests, and another director has resigned from the Company's executive director in November 2025.

(f) Directors and supervisors' material interests in transactions, arrangements or contracts

No significant transactions, arrangements and contracts in relation to the Group's business to which the Company was a party and in which a director or supervisor of the Company had a material interest, whether directly or indirectly, subsisted at the end of the years or at any time during the years ended 31 December 2025 and 2024.

36 CAPITAL COMMITMENTS

Significant capital expenditure contracted for at the end of the reporting period but not recognised as liabilities is as follows:

	As at 31 December	
	2025	2024
	RMB'000	RMB'000
Property, plant and equipment	<u>37,113</u>	<u>61,562</u>



Notes to the Financial Statements

(Expressed in RMB unless otherwise indicated)

37 CONTINGENCIES

As at 31 December 2025, there were no significant contingency items for the Group.

38 DIVIDEND

No dividend has been paid or declared by the Company or subsidiaries of the Company during the years ended 31 December 2025 and 2024.

39 FINANCIAL POSITION AND RESERVE MOVEMENT OF THE COMPANY

(a) Financial position of the Company

	As at 31 December	
	2025	2024
	RMB'000	RMB'000
ASSETS		
Non-current assets		
Property, plant and equipment	431,797	304,930
Right-of-use assets	29,390	31,885
Intangible assets	58,085	37,886
Investments in subsidiaries	144,555	114,387
Financial assets at fair value through profit or loss	10,000	–
Other non-current assets	24,093	26,306
	697,920	515,394
Current assets		
Inventories	262,039	91,919
Other current assets	52,540	79,982
Trade receivables	243,874	399,388
Financial assets at fair value through profit or loss	300,468	223,908
Financial assets at fair value through other comprehensive income	30,012	95,768
Restricted cash	62	34,000
Cash and cash equivalents	216,847	175,976
	1,105,842	1,100,941
Total assets	1,803,762	1,616,335
EQUITY		
Share capital	252,636	230,757
Reserves	1,538,537	1,180,983
Accumulated losses	(857,111)	(481,862)
Total equity	934,062	929,878



Notes to the Financial Statements

(Expressed in RMB unless otherwise indicated)

39 FINANCIAL POSITION AND RESERVE MOVEMENT OF THE COMPANY (Continued)

(a) Financial position of the Company (Continued)

	As at 31 December	
	2025	2024
	RMB'000	RMB'000
LIABILITIES		
Non-current liabilities		
Borrowings	298,614	170,173
Provisions	7,429	7,983
Deferred income	3,280	3,066
	309,323	181,222
Current liabilities		
Trade and notes payables	181,729	154,297
Other payables and accruals	179,374	177,934
Contract liabilities	14,179	22,279
Borrowings	179,680	144,725
Lease liabilities	–	1,308
Provisions	5,415	4,692
	560,377	505,235
Total liabilities	869,700	686,457
Total equity and liabilities	1,803,762	1,616,335
Net current assets	545,465	595,706

Approved and authorised for issue by the board of directors on 27 March 2026.

Director

General Manager of Finance



Notes to the Financial Statements

(Expressed in RMB unless otherwise indicated)

39 FINANCIAL POSITION AND RESERVE MOVEMENT OF THE COMPANY (Continued)

(b) Reserve movement of the Company

	Share premium <i>RMB'000</i>	Reserves Special reserves <i>RMB'000</i>	Other reserves <i>RMB'000</i>	Total <i>RMB'000</i>
As at 1 January 2025	1,075,395	–	105,588	1,180,983
Placing of new shares (Note 23(a))	393,788	–	–	393,788
Share acquired under Share Award Scheme (Note 26(a))	–	–	(38,766)	(38,766)
Share vested under Share Award Scheme (Note 26(a))	998	–	4,806	5,804
Repurchase of ordinary shares	(3,272)	–	–	(3,272)
Provision of safety fund surplus reserve (Note 24(b))	–	346	–	346
Utilisation of safety fund surplus reserve (Note 24(b))	–	(346)	–	(346)
As at 31 December 2025	1,466,909	–	71,628	1,538,537
As at 1 January 2024	1,012,184	–	105,588	1,117,772
Placing of new shares (Note 23(a))	63,211	–	–	63,211
As at 31 December 2024	1,075,395	–	105,588	1,180,983

40 NON-ADJUSTING EVENTS AFTER THE REPORTING PERIOD

There were no material non-adjusting events after the reporting period.



Financial Summary

FINANCIAL SUMMARY

A Summary of our results and assets and liabilities of our Group for the last five financial years, as extracted from the audited financial statements of our Group is set out below:

	Year ended 31 December				
	2021 RMB'000	2022 RMB'000	2023 RMB'000	2024 RMB'000	2025 RMB'000
Revenue	178,258	1,325,882	1,216,287	1,247,721	1,000,571
Cost of sales	(141,475)	(1,215,309)	(1,095,334)	(1,156,895)	(985,333)
Gross profit	36,783	110,573	120,953	90,826	15,238
Selling expenses	(9,403)	(27,681)	(32,277)	(30,393)	(18,386)
Administrative expenses	(29,715)	(41,517)	(83,918)	(57,497)	(80,319)
Research and development expenses	(54,948)	(104,047)	(216,624)	(280,651)	(322,784)
(Net impairment)/reversal of impairment losses on financial assets	(1,453)	(3,717)	1,601	(9,418)	(6,366)
Impairment losses on non-current assets	–	–	–	–	(5,716)
Other income	3,421	4,710	7,676	5,908	6,086
Other (losses)/gains – net	4,929	(628)	5,718	(6,969)	(9,595)
Operating loss	(50,386)	(62,307)	(196,871)	(288,194)	(421,842)
Finance income	94	100	3,109	5,109	11,027
Finance costs	(413,907)	(280,169)	(1,346)	(5,254)	(5,740)
Finance (costs)/income – net	(413,813)	(280,069)	1,763	(145)	5,287
Loss before income tax	(464,199)	(342,376)	(195,108)	(288,339)	(416,555)
Income tax expense	–	–	–	–	84
Loss for the year	(464,199)	(342,376)	(195,108)	(288,339)	(416,471)
Attributable to:					
Equity shareholders of the Company	(464,199)	(342,376)	(195,108)	(288,339)	(415,828)
Non-controlling interests	–	–	–	–	(643)
Loss for the year	(464,199)	(342,376)	(195,108)	(288,339)	(416,471)
Loss and total comprehensive loss for the year	(464,205)	(342,376)	(195,100)	(288,322)	(416,313)
Attributable to:					
Equity shareholders of the Company	(464,205)	(342,376)	(195,100)	(288,322)	(415,670)
Non-controlling interests	–	–	–	–	(643)
Loss and total comprehensive loss for the year	(464,205)	(342,376)	(195,100)	(288,322)	(416,313)



Financial Summary

FINANCIAL SUMMARY (Continued)

	As at 31 December				
	2021 RMB'000	2022 RMB'000	2023 RMB'000	2024 RMB'000	2025 RMB'000
Total current assets	446,235	1,155,498	1,508,366	1,149,254	1,163,511
Total non-current assets	70,269	95,903	164,186	411,668	572,461
Total assets	516,504	1,251,401	1,672,552	1,560,922	1,735,972
Total current liabilities	156,618	572,448	509,934	476,128	553,663
Total non-current liabilities	918,220	12,486	38,910	181,770	311,744
Total liabilities	1,074,838	584,934	548,844	657,898	865,407
Total equity attributable to equity shareholders of the Company	(558,334)	666,467	1,123,708	903,024	866,471
Non-controlling interests	–	–	–	–	4,094
Total (deficits)/equity	(558,334)	666,467	1,123,708	903,024	870,565
Total (deficits)/equity and liabilities	516,504	1,251,401	1,672,552	1,560,922	1,735,972

